"DON'T SELL SUN LIFE STOCK"—T. B. Macaulay

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The Nation's Business

A Good Leader for the Conservatives
Party Now Has Chance to Rebuild
Strong Opposition Needed in Canada
Mr. Bennett's Strength

THE historic Conservative party of Canada has chosen a leader of sterling qualities deserving of every opportunity to make good and worthy of the utmost respect of the Canadian people generally. It has established a platform that is as significant for the historic timbers that have been discarded as for the planks that have been replaned for the new rebuilding effort. True, it is a platform that supports no inconsiderable burden of promises, not all of which can be fullfilled, but it is something to start with; to be reshaped as experience gives guidance. The Conservative party has gained from its great national convention all the elements of revival, although it is still in the position of looking a long way ahead to any accession to power. It may be so much the better that office is yet afar off; the chastening fires of opposition may bring to the Conservative party a new temper just as opposition brought to the disintegrating Liberals new strength.

* * *

ALL of the possibilities for discord within the Conservative ranks have not disappeared, but he would be denying Mr. Bennett a fair chance to demonstrate himself who would not now align himself with the leader his confrères and he have chosen, and who could not subscribe, in outline, to the policies presented at Winnipeg. If the Conservatives can find unity within their ranks, unity throughout the provinces, they will aid materially to bringing a national spirit of solidarity to Canada.

Even with a continuation of Liberalism in the seats of office, a more virile and unified Conservative opposition will be an agent for more efficient government. Canada has had its fill of party splits. They have not served to spur governments on to better control of state affairs; rather they have been demoralizing influences; they have led to political auctioneering and the purchase of whole groups by concessions, usually involving extravagant expenditure of public funds. A strong Liberal government,—for the presence in the Mackenzie King cabinet of some of our most able public men insures its strength—and a strong Conservative opposition will be trustworthy instruments for public benefit. And when the time comes for the Conservative to step into office they should be better able to handle their tasks because of the period of reconstruction that is ahead and that was given a promising inaugural this week.

* * *

IN OPPOSITION or in power, Mr. Bennett will, it is hoped, fulfil the high promise of his speech of acceptance. He is a man of varied talents and of abundant intellectual power. Yet he is not as intellectual as was Meighen and as is Mackenzie King; his practical experience in legal and business life has given him a wider appreciation of the economic rôle of statecraft than most political leaders have. His business experience, evident by his business connections must be regarded as wholly favorable; there is as little to fear, there is, in fact, as much to approve in Mr. Bennett's close contact with incorporated business as in the similar interests of Andrew Mellon, who has been a tower of strength to the United States in the post-war years. His most recent public discussion of a major financial question was not promising. This was his unsound proposal to conscript money at uneconomic rates of interest in order to reduce the war debt burden. Let us hope this is no longer one of his policies.

* * *

THE Conservative party is a traditional supporter of strong Imperialistic sentiment; Mr. Bennett is an Imperialist by faith; he believes in the British Empire, he believes in Canada's connection with the British Empire; he frowns upon separatism.

Two months ago in discussing Mr. Bennett's qualifications for the leadership, The Financial Post said: "Mr. Bennett lacks some of the qualities that make for general popularity, but he has the temper of the statesman and, if he could win his way to power, he would make an excellent premier. He commands the confidence of the leaders of the financial and industrial world and they would accept, at his hands, reforms and changes which, if suggested by others, they might bitterly oppose. His selection as leader would infuse considerable life and vigor into the policies and strategy of the Conservative Party and at present nothing is so badly needed for the country's sake."

* * *

THE business interests of Canada, regardless of party, will hope that the high promise of the Winnipeg convention is fulfilled; that the Conservative party is again on the high road to greater

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MACAULAY TELLS SUN SHAREHOLDERS TO STICK BY SHIP

Will Never Regret It, if They Hold Stock

FLAYS SPECULATORS

Regrets Seeing Americans Getting Hold of Great Canadian Institution

From Our Own Correspondent.

MONTREAL.—In view of the fact that Canadian life assurance stocks are very much in the limelight in the United States and Canada at the present time and because of the national importance of the situation, The Financial Post interviewed President T. B. Macaulay, of the Sun Life Assurance Company of Canada, who is recognized not only as a leading authority on insurance in the Dominion, but throughout the insurance world.

Mr. Macaulay, who of course speaks primarily for the Sun Life, made the following statement: "Brokerage firms in both the United States and Canada are making such determined efforts to induce the holders of our stock to sell, that I am glad of the opportunity to make a statement.

Day of High Values Here

"When $600 per share was offered for our stock a year ago, some holders hastened to sell, as though they would never again have the chance. What are their feelings to-day? Now that prices varying from $1,500 to $2,000 per share are being offered, the temptation is of course greater, but on the other hand the day of high values for the stock has come to stay. Even though present prices are much inflated and due apparently to a very superficial understanding of the facts, the company has such a bright future before it that I am convinced that those who sell at even the present figures will live to regret it in years to come. They have nothing to

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Diversity Marks Prairie Resources To-day

This fine photograph, recently taken near Lethbridge, Alta., provides proof of the growing diversity of the resources of Canada's western prairies. A coal mine is shown in full operation, while grain has just been harvested and is standing in twice-golden stacks.—C.P.R. photo.

Walker Dividend Will be $3 Whether or Not G.&W. Deal Completed

Morrow Group Will Control Merged Companies — New Rights Are Expected to be Offered Walker Holders

The projected merger of Gooderham & Worts with Hiram Walker, Ltd., is contingent on auditors' figures of the former company being satisfactory to the directors and shareholders of Hiram Walker, Ltd.

If the deal goes through, there will be certain rights given to the present and the new shareholders of Hiram Walker, Ltd.

Whether or not the deal goes through Hiram Walker shortly will go on a $3 dividend basis. It is said that earnings are well in excess of $6 annually. The present rate is $2.

There are 400,000 shares of Hiram Walker, Ltd., and 200,000 shares of Gooderham & Worts, so that a merger on a share-for-share basis will leave the Walker shareholders the dominating factor. F. K. Morrow has controlled Hiram Walker Ltd., and will control the enlarged company.

The name for the new organization has not as yet been determined, but it is pointed out that the simplest method of dealing with the matter would be to increase the authorized capital of Hiram Walker, Ltd., to 600,000 shares. Presumably both companies would continue to operate under their present names. Hiram Walker, Ltd., is a holding company, owning all the shares of the operating company, which is Hiram Walker & Sons, Ltd.

G. & W. Earns $10

It is said that Gooderham & Worts have been earning in the neighborhood of $10 the share, which is $2,000,000, while Walkers has been earning $6.50 or thereabouts, a share, which is at least $2,500,000. The two combined would earn $4,500,000, which would be $7.50 per share on 600,000 shares. The distillery shares have shown a tendency to sell at about ten times their estimated earning power. On this basis, the shares appear to be underpriced, even if no new rights were to be given shareholders.

It was believed at the time of the stock issue which made the Walker distillery a public company, that a merger of the two properties eventually would take place. The reason for this belief was that H. C. Hatch was president of both companies.

The shares of the two companies have been moving virtually in unison for some time.

Gooderham & Worts was incorporated in 1923 with an authorized and issued capital of 20,000 shares of $100 par value. In August, 1926, the shares were split ten-for-one. Before the split the stock sold up to $255 and the new stock has been above $60, which is the equivalent of $600 on the old stock.

Hiram Walker, Ltd., was incorporated late in 1926 as a holding company with 400,000 shares of no-par value. The offering price was $27 and the rise in market value has been virtually constant in the last nine months. The company owns all the stock of the Hiram Walker & Sons, Ltd., which is the operating company.

Is British Columbia's New Adventurer Backed by Chinese War Lords?

This is Theory Advanced on Coast to Explain Sutton's Sudden Accession to New Wealth

From Our Own Correspondent.

VANCOUVER—Are the investment funds of the Chinese war lords being poured into British Columbia for want of a nearer place of profitable security?

The question is raised in British Columbia as a result of the activity of General F. A. Sutton, who has recently come to this province from the turbulent Orient bringing with him substantial sums of money for investment.

General Sutton, a major in the British army, is an adventurer extraordinary, whose playground is the world and, more immediately, British Columbia. Prior to his arrival in Vancouver several months ago he was military adviser to Chang Tso Lin, war lord of Northern China.

Plenty of Money on Tap

Successful war lords in China usually have surplus funds. In the past it has been their custom to invest in real estate in Hong Kong, which is British territory, and in British and other foreign concessions in China where property had some guarantee of stable ownership.

It is well known that real estate in Hong Kong is more valuable than property in the heart of London, Hong Kong's insular geography making expansion of the business and industrial section impossible. In large measure, say travelers from the Orient, this value has been given by the demand for Hong Kong real estate as a solid rock of inviolate rights in the political muskeg that the rest of China to-day represents.

Latterly, however, the rising menace of the national party, sworn to oust all foreigners from property control in China, has seemed to imperil these investments.

Buys Heavily on Coast

Chang Tso Lin has been by far the most successful war lord of the north and much of the credit for his success is attributed to his right-hand-man, General Sutton.

General Sutton signalized his arrival in Vancouver by buying a placer mining property near Barkerville and a large ranch at Pleasant Valley in the Cariboo country. He has put a crew to work mining and is operating the ranch.

Then, for a sum stated to be well in excess of $1,000,000, he bought the Rogers Building, one of the largest office buildings in the heart of Vancouver.

More recently he bought the old Dominion Bank Building, now known as the Mutual Life Building, on Pender Street, the price paid being in the neighborhood of $400,000.

Flies to Peace River

He startled British Columbia the other day by announcing that since there had been so much talk and so little action on the question of completing the Pacific Great Eastern Railway into the Peace River country he would make a trip in there, look over the territory, then he would go to England and "there will be few words, but a lot of action," to use his own trenchant phrase.

The better to study the Peace River country he bought a Fokker airplane which had been brought to Vancouver for a trans-Pacific flight that never materialized.

Deciding to talk things over with the provincial government at Victoria he made a day trip down the Gulf of Georgia and one of the islands enroute caught his fancy. In Victoria he hunted up the owner and started negotiations with the object of buying and establishing an estate and a pheasant ranch there.

That is the record of his whirlwind British Columbia career to date.

He is easily the most talked of man in British Columbia at the moment.

Is Typical Adventurer

Big, genially expansive, an outdoor man, typically the English sportsman and adventurer, General Sutton has been a stimulating tonic to British Columbia. He goes at least half way to let the public know, through the medium of the newspapers, that he is in their midst and, unlike many other large scale talkers who have visited British Columbia, he does things in a big way and backs up his bargains with cash.

British Columbia is not greatly concerned to know whether he is investing for Chang Tso Lin or for his own account. Apart from the famous white elephant, the government owned P.G.E., which has been circused politically for ten years and offered as a present to both the transcontinental railways, British Columbia has many other things it is willing to sell to General Sutton or to such cash customers as he may bring in.

A personal sketch of General Sutton appears in this issue on page 14.

Record Earnings for National Breweries

From Our Own Correspondent.

MONTREAL. — National Breweries is said to be enjoying the biggest year in its history and it is reported that gross earnings will run over $2,000,000 this year. The extra hour which the taverns are now allowed to keep open is reported to be the primary cause for the increased business, although a further demand from Ontario would also be a contributing cause, and also that earnings turned back into increasing the efficiency of the plants are beginning to show results.

Favorable reports concerning National Breweries have had a marked effect on the stock and it has been climbing steadily. It is reported that the company contemplates the retirement of half its funded debt in the near future, to be followed by the redemption of all outstanding bonds later. The bonded indebtedness of the company is confined to $1,082,500, 6 per cent. 1st. mortgage bonds.

PROPOSAL TO BUY NORTH BAKERIES IS NOT REJECTED

Earnings Grow, So Directors Decide to Hold Off for Time

Following the meeting of directors of Northern Bakeries on October 12, it was announced by a director unofficially that nothing had taken place except the routine business.

From another source it is learned that neither of two offers for purchase of the property was rejected. The identity of possible purchasers has not been revealed. Definite action may not be taken immediately.

The fact is that the present control of Northern Bakeries has not been in control long enough to determine exactly what the property is worth. All that can be determined at the moment is that the company is improving its position steadily and a sale or a trade might not be good business, from the vendor's viewpoint, until it has been decided what is the apparent peak of volume.

Some figures which have been shown privately indicate a very decided improvement in earnings over

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Plan Company to Place Settlers on Mortgage Land Throughout West

Trust and Loan Companies Said to be Getting Together to Help Finance Newcomers From Europe

Organization of a company to assist in the colonization of Western lands on a large scale is probable.

Nearly all the trust and loan companies in Canada are owners of large acreages in the Western provinces. These lands were acquired when mortgagors failed to make contract payments. Foreclosures followed and the trust and loan companies since have had assets which they could not sell and which are expensive because there are usually municipal taxes to pay.

Would Finance Settlers

About six months ago, a Winnipeg resident who has had a unique opportunity to study the problem, visited Toronto and Montreal with a plan whereby all these lands would be taken over by a new company in which the trust and loan companies would own stock in proportion to their original land holdings. The new company would then sell the lands to settlers and finance the settler in order that he may be established with buildings and adequate farm implements. Provision would be made for carrying the settler from Europe to his new domicile and a fund would be available for financing the newcomer through his first season, or two or three if the early ones proved failures.

In the beginning it was hoped that the Canadian Pacific Railway would participate in the scheme, but there are said to be obstacles which prevent the railway from pooling its land with that of other companies. At the moment, therefore, the plan is merely to bring the trust and loan companies together.

BRAZILIAN SPLIT BELIEVED COMING AT END OF YEAR

Reiteration of the Report Asserts Directors Have Made Decision

COMPARE WITH POWER

South American Operation in Many Respects is More Promising Investment Than is Montreal

The Financial Post has secured from an authoritative source a reiteration of the statement that a majority of the directors of Brazilian Traction have decided to propose a split in the common stock either in December of this year or in January, 1928. The split will be four shares of no par value for each present share of $100 par value.

From the same source which has been consistently right with regard to Brazilian common comes the opinion that this stock will continue to move to higher levels on its merit. The abundance of investment funds and the fall in interest rates lead to the conclusion that holders of Brazilian will be content with a yield comparable to the yield ordinarily prevailing in such stocks as Montreal Power and Shawinigan Water & Power.

This same authority invariably has been, and still is, an advocate of investment in Montreal Power. It is his faith in that enterprise which leads to a favorable view of the outlook for Brazilian common. Some significant comparisons are pointed out.

Montreal Power controls the electric service, tramways and gas in a metropolitan centre of 1,000,000 population; Brazilian controls these and the telephones in two metropolitan areas with 2,300,000 population.

Montreal Power, in his opinion, eventually will sell much higher. There are 2,000,000 shares of stock outstanding, compared with 1,000,000 shares of Brazilian.

Brazil has nearly four times the population of Canada in a somewhat smaller area. Offsetting this is the fact that education has not progressed so far as in Canada. A less general education means a less general demand for electricity for homes, for telephones, and for other conveniences provided by utility companies. However, it is said that there is an increasing demand for the services rendered by Brazilian Traction's subsidiaries, and it is pointed out that this demand is in a fair way to increase more rapidly than population. The demand for utility services in more highly developed regions is dependent on the growth of those regions.

It is estimated that earnings on the common stock will be $3.50 a share greater in 1928 than 1925 or 1927. The 1926 earnings were $10.45. The 1927 earnings will be approximately the same in dollars, owing to pegging of the milreis at several cents below the average for the previous year. It is said that there will be some remarkable increases in net earnings shown, so soon as the comparison is with months after the pegging was achieved.

It is believed that the new Brazilian shares will be placed on a $2 dividend basis at the beginning of the year. This rate is 8 per cent. on the present stock, compared with 6 per cent. in 1927, 5 per cent. in 1926, and 4 per cent. for three years previously.

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Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Brighter American Outlook Affects Canadian Business
No Decline in Buying Power Anticipated in 1927-28
Major Price Reactions Cause Drop in Commodity Index
Insolvency Situation in Third Quarter Shows Improvement
Movement of New Crop Aids Revenue Freight Loadings

IMPROBABILITY of business demoralization in the United States, as borne out by current indications, lends added strength to the current situation in Canada. The lull experienced in this country during the past month or so has not been so marked as across the line nor has there developed a feeling that the balance of the year would not see a continuation of the wave of prosperity experienced in the past two years.

Aside from the more optimistic feeling in regard to American business, internal conditions in the past month or two have been such as to indicate that only a radical reversal can stop Canada from marking up a new high mark for production. Last year was exceptional in many respects. Not only was there a tremendous revival in all lines of productive activity, but new developments took place in all provinces tending to bring about a greater utilization of our natural resources. Capital expenditures this year have been nearly as widespread and the new units brought into use have had an appreciable influence on general conditions.

Maintain Purchasing Power

Whether the consuming public is or is not to return with the buying capacity and in the spending mood of last year, depends largely upon crop revenue received by farmers. In 1925, most of the revenue received by the farmers went to clearing up old debts, paying off mortgages, etc. With a good crop and above average returns last fall, rural buying power soon made itself felt. This in turn had a marked effect on urban activity and the enormous buying capacity thus released brought about a situation unequalled in many years. The next two months will tell definitely the extent of the farmers' purchasing power for 1928. Judging from present indications it will be as extensive as it was in 1926-27.

Another dominant influence on the outlook for the next half-year is the relatively sound position of distributor and manufacturer. There is no accumulation of unsold goods carried on borrowed money, such as used to introduce the forced sales and disruption of markets as in former years. The lesson of 1921 and 1922 has been driven home to all and hand-to-mouth buying has acted as a break to any undue optimism over the present wave of prosperity.

Commodity Prices Lower

One of the reasons for the close adherence of both manufacturer and distributor to buying for immediate requirements only, has been the instability of commodity prices. During September a further decline took place, the general index of some 236 commodities rated according to commercial purposes standing at 151.0, as compared with 152.3 in August and with 152.5 in the same month a year ago. Three of the main groups moved upward, three moved downward and two were stationary. Although a larger number of quotations were higher, the declines were the more important.

Vegetables and their products declined due mainly to the lower levels prevailing on grains, flour, potatoes, rubber, hay and straw. Livestock values, on the other hand, advanced, chiefly because of advances in milk, butter, cheese, eggs, hides, leather, boots and shoes. Higher levels for cotton, forced an increase in the price of textiles and textile products. Copper, lead, zinc and spelter declined slightly while silver and zinc sheets were higher. Wood and wood products and iron and its products remained stationary.

The uncertainty in regard to commodity values has naturally tended to limit commitments on raw materials or finished products, with the consequence that production follows very closely public demand and consumption. Fortunately buying has been on a very broad scale and manufacturers report operations well maintained. Implement, iron and steel, shoe, electrical and other factories are active, with a good volume of orders on hand and more in sight.

Failures Number Less

The insolvency statement of the Dominion for the third quarter of this year shows an improvement over that for the corresponding period of 1926. This is only true, however, of the number of commercial failures, there being 462 defaults for $6,651,568, as compared with 497, involving $6,462,513 in the third quarter of last year. The numerical reduction is due to smaller totals for the manufacturing and trading classes, which offset a small increase among agents, brokers, etc. On the other hand, an increase in trading indebtedness more than counterbalances a falling off among manufacturers and also in the group embracing agents and others.

When the statistics for separate provinces are examined, it is seen that the third quarter's insolvencies are the same as to number for this year and last year in Nova Scotia and Prince Edward Island, while decreases appear in Ontario, Quebec, British Columbia and New Brunswick. The largest decline occurred in Quebec.

Car Loadings Up Sharply

For the first time in four weeks, car loadings of revenue freight exceeded last year's total. This temporary reversal in the record volume of loadings was largely on account of the lateness in the movement of Western grain to the head of the lakes and seaboard. Threshing operations have been brisker in the past two weeks and the effect has been noticeable. During the week ended October 1, car loadings totaled 82,431, as compared with 74,856 in the previous week and with 77,331 in the corresponding period of last year.

One of the most helpful factors in the favorable showing of loadings has been the wide and voluminous distribution of merchandise. Over one-quarter of the total freight handled by Canadian railways this year has been attributed to this source.

Other commodities also have shown substantial increases over last year's figures, especially livestock, which passed the 1926 mark for the first time this year.

Agricultural Survey

Threshing Again Hindered
September Quality High
Yield of Roots Declines
Pastures Are in Good Shape

Snow and rain delayed harvesting, both in Eastern and Western Canada, during the week. Most of the grain has already been threshed, but in districts of late sown grain, operations will continue well on to the end of the month. No further news has been received from the West in regard to yields. Individual reports, especially from Alberta, have been encouraging, yields as high as 40 and 50 bushels to the acre being not uncommon. This is exceptional, however, and the average probably will not run much over 14 to 15 bushels.

On the other hand, recent climatic conditions have not been conducive to improving the quality of grains and it is the general opinion of the government and other authorities that grades will be lower than last year. The quality of the cereal crops at harvest time, however, as compared with a standard of 100 representing the average quality for the 10 years, 1917-26, is reported for all Canada by the government as follows, the corresponding percentages for 1926 being given within brackets: spring wheat 97 (96); oats 94 (90); barley 98 (95); rye 101 (96); mixed grains 98 (94); flaxseed 94 (93); and buckwheat 97 (95).

May Affect Revenue

Conditions since this report was compiled have considerably altered the situation and the next report will undoubtedly show a drop in quality of all cereals. That this change will have some effect on farmers' revenue seems certain. To what extent income will be curtailed is still a matter of doubt, but in view of the larger yield and stronger prices, revenue will not suffer any appreciable cut.

Lower Yield of Roots

The latest government forecast of yield on certain of the field crops, shows a decline from last year's figures. The harvest of potatoes is expected to be 45,495,000 cwts., as compared with 48,682,000 cwts., in 1926. The yield of turnips is placed at 35,454,000 cwts., as against 34,576,000 cwts., while fodder corn shows a decrease from 4,720,800 tons in 1926 to 3,860,700 tons and sugar beets from 529,000 tons to 420,000 tons.

Details by provinces show that turnips is the only crop to show a larger yield in Prince Edward Island this year. Nova Scotia reports a decrease in all classes, as also does New Brunswick. Quebec has an increase in turnips; Ontario in potatoes and turnips; Manitoba a decrease in all crops; Saskatchewan an increase in potatoes and turnips; Alberta in potatoes and fodder corn; and British Columbia in potatoes, turnips and fodder corn.

Pastures in Good Shape

The outlook for pastures and fodder is excellent. Ontario is the only province to report condition of pastures below the decennial average. The others report very good to excellent conditions. The alfalfa yield is slightly below 1926, but compares favorably with the average of the past ten years. Quebec, Manitoba, Saskatchewan and Alberta report a better crop than in 1926, while Ontario expects a yield slightly below that of last year.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest This Year	Latest Last Year	To Date This Year	To Date Last Year
Production—				
Pig iron, tons (Aug.)	63,234	58,780	517,844	496,876
Steel, tons (Aug.)	77,479	45,674	620,039	541,705
Newsprint, cwts. (Aug.)	180,187	162,545	....	....
Automobiles (Aug.)	12,526	15,261	150,321	155,346
Boots and shoes, pair (Aug.)	1,675,598	1,406,782	11,867,591	11,338,398
Flour, bbls. (June)	1,314,212	....	8,105,839	9,024,000
Construction—				
Contracts awarded (Sept.)	$32,787,700	$20,761,400	$304,873,700	$280,865,400
Building Permits (Aug.)	$29,651,888	$11,672,599	$127,609,318	$109,211,942
Labor—Employment index (Aug.)	....	....	109.7	104.9
Transportation—				
Car loadings (to Oct. 1)	82,431	77,331	2,419,926	2,312,518
C.P.R. gross (Aug.)	$17,258,634	$16,630,174	$122,129,911	$118,456,381
C.P.R. net (Aug.)	3,862,148	4,305,375	20,001,234	22,183,197
C.N.R. gross (Aug.)	$21,670,324	$21,059,374	$172,401,492	$167,799,279
C.N.R. net (Aug.)	4,094,298	4,027,133	20,632,067	23,049,875
Population—				
Emigration (July)	7,180	......	81,506	......
Immigration (July)	12,288	16,227	89,722	64,531
Trade—(Aug.)—				
Imports	$99,348,340	$89,669,575	$724,585,923	$665,220,034
Exports	$94,216,194	$90,621,419	$736,035,397	$806,569,372
Imports of key products (Aug.)—				
Rubber, lbs.	4,509,642	......(12 mos.)	56,359,087	46,189,124
Cotton, lbs.	7,266,657	......(12 mos.)	145,180,642	134,405,517
Sugar $	4,657,478	......(12 mos.)	800,126	1,050,061
Petroleum, gals.	77,253,495	......(12 mos.)	796,357,772	601,312,867
Coke, tons	72,823	......(12 mos.)	800,126	1,050,061
Exports of key products (Aug.)—				
Newsprint (cwt.)	3,262,301	......(12 mos.)	36,354,500	32,384,966
Automobiles, pass. (No.)	3,020	......(12 mos.)	51,597	55,995
Wheat, bus.	12,197,098	......(12 mos.)	253,922,029	269,761,912
Wheat Flour, bbl.	513,702	......(12 mos.)	9,302,114	10,671,368
Finance—				
Failures, number (Aug.)	147	121	1,150	1,109
Failures, liabilities (Aug.)	$2,371,788	$1,971,664	$18,765,691	$18,518,577
Bank Debits (Aug.)	$2,607,000,000	$2,446,000,000	$21,313,000,000	$19,411,000,000
Bond sales (Sept.)	$48,556,000	$59,401,377	$373,920,810	$473,417,239
Stock prices index (Oct. 1)	....	....	458.0	204.8
Insurance sales (Aug.)	$38,360,000	$36,010,000	$325,198,000	$304,928,000
Wholesale prices (1913-100)—				
General index (Aug.)	....	....	152.3	154.0
Iron (July)	....	....	143.6	143.7
Cotton	....	......	143.6	153.0
Grains	....	... .	181.6	171.4
Cattle	....	.....	123.5	109.0
Rubber	....	....	57.7	65.8

Business Conditions in United States

As indicated by check payments, the dollar volume of trade in the United States during the week ended October 1, although smaller than in the preceding week, was substantially larger than in the corresponding week of 1926, according to the weekly statement of the Department of Commerce. Wholesale prices continued to strengthen and for the week were less than 2 per cent. lower than in the corresponding week of last year. Prices for cotton averaged higher than in either the previous week or the same week of a year ago, while prices for iron and steel, although showing no change from the previous week, were lower than in the corresponding week of 1926. Prices for wheat averaged higher than in the previous week, but were still below the level of the same week of last year. Receipts of cotton into sight were seasonally larger than in the previous week, but were substantially lower than in the same week a year earlier.

Loans and discounts of Federal reserve member banks expanded over the previous week and were higher also than a year ago. Prices of stocks listed on the New York Stock Exchange averaged lower than in the preceding week, but were substantially higher than in the same period of last year. Interest rates on call loans showing no change from the previous week, were substantially lower than in the corresponding week of 1926. Bond prices continued to average higher as compared with both prior periods. Interest rates on time money, showing no change from the preceding week, were lower than a year ago. The Federal reserve ratio, although receding from the previous week, was substantially higher than in the same week of last year. Business failures were more numerous than in either prior comparative period.

Output of bituminous coal during the week ended September 24, although greater than in the preceding week, was smaller than in the same week of last year. The cut of lumber during the same week was larger than in the previous week, but showed no change from the same week of last year. The output of beehive coke, although greater than in the preceding week, was considerably smaller than a year ago. Petroleum production again receded from the level of the preceding week, but was still running larger than a year ago. Wheat receipts at primary markets were substantially greater than a year ago, while receipts of cattle and hogs showed declines from last year.

Weekly Business Indicators

(Relative numbers, average 1923-25—100)

	Sept. 24 1927	Sept. 25 1926
Bituminous coal production	101.3	120.2
Lumber production	106.4	106.4
Beehive coke production	43.3	80.4
Petroleum production (daily average)	116.9	104.2
Freight car loadings	....	123.4
Building contracts (27 states)	136.3	156.2
Wheat receipts	246.4	122.4
Cotton receipts	213.8	249.2
Cattle receipts	102.5	139.2
Hog receipts	53.8	59.5
Price No. 2 wheat	90.8	96.5
Price cotton middling	76.8	55.9
Price—iron and steel composite	87.2	91.5
Fisher's price index	93.1	95.1
Bank loans and discts. (total)	119.2	144.1
Debits to individual accounts	130.8	119.1
Interest rates, call money	97.0	127.3
Business failures	82.8	82.6
Stock prices	186.2	139.0
Bond prices	109.5	106.0
Interest rates, time money	100.0	114.3
Federal reserve ratio	99.5	94.3

September Canal Traffic is Affected by Grain Movement

Movement of the new grain crop is making itself felt in traffic through Canadian canals. During the month of September, grain traffic through the Sault Ste. Marie canals was considerably heavier than in 1926, wheat increasing by 10,818,625 bushels, and other grains by 9,050,513 bushels, but iron ore traffic was lighter by 2,794,122 tons, and the total traffic was less by 1,998,547 tons.

For the second month total traffic through the Welland Canal was over the million ton mark, aggregating 1,090,647 tons greater than for September, 1926. The big increase was in wheat of 205,696 tons, or 6,856,500 bushels. The total traffic from the opening of navigation to September 30 was 5,209,454 tons, or more tonnage than for any entire season prior to 1925 and only 430,844 tons below the record made in 1925. This undoubtedly will be greatly exceeded by the close of navigation.

Total traffic through the St. Lawrence canals amounted to 1,178,199 tons, an increase over the total for September last year of 305,602 tons. Grain traffic was particularly heavy, wheat increasing by 169,790 tons, rye by 143,638 tons, corn by 20,730 tons, and barley by 9,918 tons.

Boot and Shoe Output in August Increases by 23 P.C.

As was expected in view of the strong market and rising prices, production of boots and shoes in Canada during August increased over the preceding month by 351,813 pairs, or 23 per cent., the total having been 1,855,391 pairs. This brings the cumulative output for the first eight months of the current year up to 11,867,591 pairs, or an average of 1,483,449 pairs per month, in comparison with a total for the corresponding period of 1926 of 11,338,398, and an average per month of 1,417,300 pairs.

The cumulative production for all classifications during the 8 months period was 12,848,082 pairs, or an average per month of 1,606,010 pairs. The largest item was for women's shoes, which showed a total of 4,921,784 pairs. The item for men's shoes was second with a total of 3,981,707.

Lake Shippers' Association Handle Large Volume Grain

Grain shipped through the Lake Shippers' Clearance Association during the crop year 1926-27 was the third largest in volume of any year on record, having totaled 614,885,963 bushels, in comparison with 650,649,488 bushels in the previous year, and with 704,366,800 bushels in 1923-24, the record year.

Of the total grain handled last year, 291,711,823 bushels were shipped by vessel, 18,103,440 by rail, and the balance by transfers.

An interesting table compiled by the Association shows that shipments from Fort William and Port Arthur far exceeded those from either Chicago or Duluth. During the past crop year, Fort William and Port Arthur shipped 291,711,823 bushels of grain, as compared with 63,185,000 bushels from Chicago, and 89,188,989 from Duluth.

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Retail and Wholesale Trades Have Invested Over $1,580,000,000

Nearly 67,000 Distributing Firms Report Purchases of $2,321,000,000, and Sales of $3,030,000,000 During Year—British Columbia Leads in Largest Trade Per Dollar of Investment

One of the greatest needs in modern business is a complete and accurate knowledge of the extent of wholesale and retail distribution. Effective marketing of merchandise cannot be accomplished without such knowledge. But the manner in which to obtain such information has hitherto proved a stumbling block.

The United States government has been particularly active in this respect and a short time ago began a thorough canvass of retail establishments in certain designated cities. The first to he completed was that of Baltimore. The information so obtained was of the greatest value to manufacturers and distributors, with the result that the American Chamber of Commerce urged the government to continue its survey and make a census of all important retail centres.

Canada Makes Survey

At the same time an effort is being made by the Dominion Bureau of Statistics to obtain a measurement of the mechanism of distribution in Canada. Statistics have long been available relating to population and, more recently, regarding the production of commodities. The mechanism, however, by which commodities have been distributed to the ultimate consumer has in the past been subjected to but slight quantitative measurement. Information regarding this mechanism is of great economic and social importance, and the postal census of trading establishments relating to the year 1923 represents a first step to meet an urgent need. Preliminary results are published in the present bulletin. These statistics, while incomplete, are indicative of certain phases of merchandising and form a basis for more thorough-going investigations.

In all, 66,814 schedules were received for wholesale and retail distributing firms, as a result of the census. This number does not, of course, include all trading establishments in the Dominion. It was, however, found impossible to take cognizance of a large number of very small units. By provinces the returns were as follows: Prince Edward Island 400, Nova Scotia 3,424, New Brunswick 2,528, Quebec 17,753, Ontario 24,176, Manitoba 4,215, Saskatchewan 5,423, Alberta 4,247, and British Columbia 4,648. Of the grand total 60,181 were retail stores, 3,782 were wholesale and 2,851 were wholesale and retail. By ownership these were divided into 9,493 joint stock company stores, 49,833 single ownership, and 7,488 partner ownership stores.

Capital Investment

Capital investment was ascertained by adding together the following items: (a) cash in hand and in the bank, (b) merchandise on hand, (c) accounts due, (d) furniture and fixtures, (e) delivery equipment, (f) real estate. The total amount of capital investment in the 66,814 stores was shown by inventories to be $1,580,123,723. This was distributed among the three classes of stores as follows: Retail $914,990,830, wholesale $476,559,544, retail and wholesale $188,573,349. Thus, it will be seen, 57.9 per cent. of the capital investment was in retail stores, 30.2 per cent. in wholesale and 11.9 per cent. in retail and wholesale. Fixed capital investment, including furniture and fixtures, delivery equipment and buildings and real estate, was $302,657,309 in the retail, $95,781,711 in the wholesale and $59,190,189 in the wholesale and retail. Working capital, including cash in hand and in the bank, merchandise on hand, and accounts due, was $612,333,521 in the retail stores, $380,777,833 in the wholesale stores and $129,383,160 in the wholesale and retail. The percentages were respectively: Fixed capital, retail, 66.1 per cent., wholesale 20.9 per cent. and wholesale-retail 13.0 per cent., working capital, retail 54.5 per cent., wholesale 34.0 per cent. and wholesale-retail 11.5 per cent. The average capital investment in retail stores was $15,204, in the wholesale stores $126,007, and in wholesale and retail stores $66,143.

Purchases and Sales

In the year covered by the census the total purchases of merchandise were: retail $1,225,016,362, wholesale $812,139,031, wholesale and retail $283,922,904, the combined total being $2,321,078,297. During the same period the sales were: retail $1,642,103,468, wholesale $1,021,920,931, and the wholesale and retail $366,638,786. The combined total was $3,030,663,185.

Average purchases were: Retail $20,355, wholesale $214,737, and wholesale-retail $99,587. Average sales were: Retail $27,286, wholesale $270,206 and wholesale-retail $128,600.

The high average for the retail purchases and sales is partly accounted for by the inclusion in the totals of 11,115 general and departmental stores. Seventy-one of these (including stores and branches) had each sales amounting to $1,000,000 or over. Total figures for the seventy-one stores were: capital $81,935,749, sales $224,989,866 and purchases $167,309,367.

Trade done per dollar of investment capital is obtained by dividing the total of investment capital into the sales totals. For the Dominion as a whole the figures are: retail $1.80, wholesale $2.13, wholesale-retail $1.94.

By provinces the trade per dollar of capital investment was the following: retail, P.E.I., $1.53; Nova Scotia, $1.66; New Brunswick, $1.95; Quebec, $1.64; Ontario, $1.89; Manitoba, $1.95; Saskatchewan, $1.63; Alberta, $1.62, and British Columbia, $2.02. Wholesale, P.E.I., $3.30; Nova Scotia, $2.30; New Brunswick, $2.43; Quebec, $2.15; Ontario, $2.30; Manitoba, $1.78; Saskatchewan, $1.65; Alberta, $1.76; and British Columbia, $2.59. Wholesale-retail, P.E.I., $1.55; Nova Scotia, $1.82; New Brunswick, $1.79; Quebec, $1.94; Ontario, $2.14; Manitoba, $1.67; Saskatchewan, $1.65; Alberta, $1.69; and British Columbia, $1.84.

Urban Stores in Lead

An interesting comparison was made between stores in cities of 20,000 and over (27 in all) and those in other districts both urban and rural. The former had 37 per cent. of the retail stores and did 53 per cent. of the retail business; percentages for the other urban retail stores being 63 per cent. for stores and 47 per cent. for sales. In the wholesale trade the larger cities had 74 per cent. of the stores and 86 per cent. of the sales. Wholesale and retail stores in larger centres had 48 per cent. of the stores and 65½ per cent. of the sales.

Old Men in Business

An Editor in the Commercial and Financial Chronicle, New York.

A young man, William E. Kerrish, of Wollaston, Mass., writing to the editor of the New York "Times," has some very very pertinent things to say about old men in business. We quote a part of his short letter: "If we have no place in business or industry for those of mature years, it seems that we have need of refocussing our entire viewpoint in the matter. We need the quick action of youth to keep pace with modern conditions. But we also need the poise, the experience and the repose which those of mature years can bring. The true strength and constructive thought which among ordinary men are the marks of full mental and physical maturity cannot be dispensed with for any length of time. To attempt to do so is an unwarranted extravagance, and one for which we must in the long run pay a great price in the loss of economic stability." That a young man should take it upon himself to write a public letter upon this subject shows a thoughtful attitude toward affairs that is quite commendable. Those who knew Dr. Osler aver that he was in a joking mood when he said "all men over sixty years of age ought to be chloroformed." It is said he was then more than sixty years of age. The chance emark caused a wide controversy and the names of many great men, who had done their best work after sixty, were invoked to prove the falsity of the charge.

Age Not Pleasant But Honorable

Age may not be pleasant, but it is at least honorable. And if we are not to establish old age pensions we must not throw old age out of the way of earning a living or increase our homes for the aged. It may be true, as an old man once remarked, "who cares for an old man"? But they are not responsible for the coming on of old age and those who talk insistently of "the humane" must consider their condition. Every man ought to lay up fortune for his declining years, but not every man can. We think, however, this young man has struck the true note in the matter when he puts it on a purely economic basis. It is easy to prove that many men already old in years are the guiding spirits of great enterprises. But it would be difficult to imagine all business in the hands of young men without inheritance from the experience of founders who have builded wisely and well. It is proper that youth (in the sense here used) should inherit. Age is inevitable. It has its infirmities. But many old men are young in the economic sense, and a few young men are old. Old men can rule too long; and young men can become too eager for their inheritance.

No Place for Older Men?

Unfortunately, it is a custom with some managers to discharge or displace old employees at a certain age. There has grown up in this "managerial world" a feeling that the rush and push of modern business has no place for old men. And as our letter writer asks, is it well with business when it lacks poise, experience and repose? We shall perhaps answer this question in a few years when the present rush and push has run its course. We affirm without hesitancy that neither the world nor any business owes a man "a living" independent of his work and worth. But "business," after all, is only an aggregation of individual co-operating (and it may be through competition) in the necessary task of making a living, and in this sense it is sheer desertion when a capable man is cast off because of age. If, as very well may ensue, age has incapacitated a man for the particular work he is doing, in a large concern, another place may perhaps be found for him, or some other means devised for his welfare.

Sitting in a beautiful park in a far Western city in a casual talk with an old gentleman, as we judged about eighty years of age, he told us this story: "For more than forty years I was an engineer on a railroad. I had a short run. I liked my work because it gave me time to study certain things that interested me. For years now I have received a gratuity from the road, though through my saving habits I could live without it. I come out here every year to enjoy the climate. The other day a man, a stranger, came to me and said: 'Mr. ——, I have been sent here to hunt you up and to ask you if there is anything the company can do for you?' I was surprised and answered, 'I know of nothing. I now enjoy a gratuity from the company. I can think of nothing more that can be done. I am getting along very well. Then I said, but suppose there was something the company could do, what then?' The reply was: 'Well, the company sent me especially to talk with you, and if there is anything lacking in your welfare that gives the company an opportunity to help you in a reasonable way, I am sure it would be done with pleasure. You had a good record and you have not been forgotten' He mused awhile, then said: 'And yet they say corporations have no souls—I suppose there are a hundred men in this city at this time who are similarly situated.' We think it is fair to say, though the same will apply to other companies, that the company here referred to was the Pennsylvania Railroad Co.

Dangers of "Young Blood"

Now, then, is not this example a proof of the economic worth of considering old age in the conduct of industry? It must be, because when a man enters the employ of a great enterprise or industry he knows that a lifetime of service will not go unrewarded. Our people ride extensively on trains. Always at the throttle is this trained engineer, whether we think of him or not. He works for us as well as for the company. We know of no outside interest that will care for him after he retires. Experience up to the point of actual disability is valuable to the people and valuable to the road in its reputation for care in the running of its trains. Is it economic good management to forget these things in the interest of rush and push? And the truth applies to all kinds of business. Of course, in the case cited there was a retiring age, but it was accompanied by an allowance. It is the man and his record that are to be taken into account. In the ordinary industries where not so much is at stake, it must be uneconomical as well as unethical to thrust old men aside simply because some swift young man promises by new methods to get "more business." We think if the records were available it would be shown that many a stable business has been turned topsy-turvy, if not wrecked, by the managerial fad of introducing "young blood." Young men are valuable, but they ought to remember that their egotism nourished by patent remedies for making things "go" sometimes acts like a monkey wrench thrown into the machinery.

Old men ought to bear age gently, gracefully. The heat of the battle is passed. The "fortune" is made or it never will be made. The business is in "good running order," or there is only time to reduce its proportions or to make it safe. Old men should be willing gradually to release authority, to impose more and more of responsibility on associates who are younger and sons who are to inherit. For the rest there is time now for reflection, for the clear contemplation of the place the one business, and all business, should occupy in the affairs of men. And above all, there is time for reflection on self, on the spiritual man, who, having done his duty to his fellowman, may look forward, not through scientific eyes, but with spiritual eyes to that future unfolding which is yet to come.

Firestone Enlarges Plant

HAMILTON.—A big construction job planned for this fall, and one on which contractors are now tendering, is the addition to the Firestone Tire and Rubber Company's plant. The new building it is expected, will be 260 by 280 feet, and is only one of several construction jobs now proposed.

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SAWYER MASSEY MAKING PROGRESS IN NEW COMPANY

Volume of Business Exceeds Estimates of Purchasers of Property

The new Sawyer-Massey Co., Hamilton, manufacturer of threshing machines, road machinery, tractors, etc., are reported on reliable authority to be doing already a larger volume of business than was anticipated when the present interests took over from the old company.

It was estimated that the new company could meet all its obligations from the beginning if the volume were $1,250,000 annually, as compared with a total of $876,000 in the last year of the old regime. This estimate has been exceeded, it is reported.

Settlement Not Determined

The new company placed $600,000 of cash into the business as working capital and assumed all the liabilities, as well as assets of the old company, in return for 16,500 shares of no par value stock in the new company of a total of 50,000 shares issued.

The old company is still in existence. So far as can be learned, it has not been determined what plan will be followed for distribution of the new stock among the shareholders in the old company. Dividends on the preferred stock in the old company had been in arrears since 1914. It probably will require a court ruling to determine whether or not the common holders in the old company will get anything.

Stock Market

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Oct. 12	121.6	115.7
Week of Oct. 5	122.2	114.1
Month of Oct. 1926	92.7	87.5
9 Bank Stocks		
Week of Oct. 12	$286	$281
Week of Oct. 5	286	280
Month of Oct. 1926	225	222
10 Public Utilities		
Week of Oct. 12	$109	$106
Week of Oct. 5	109	105
Month of Oct. 1926	89	83

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	2	5	2	9
Paper	6	6	3	15
Foodstuffs	16	13	16	45
Steel	9	10	18	37
Utilities	8	10	14	32
Tractions	—	8	7	15
Textiles	5	3	9	17
Industrials	25	24	22	71
Total	71	79	91	241

J. N. Day, Ltd. Preferred Stock Publicly Offered

An issue of $60,000 cumulative 10-year sinking fund preferred capital stock of J. Nelson Day, Ltd., is being offered by F. H. Blakely & Co., Toronto. The stock is in $10 shares, with a dividend rate of 7 per cent. It is offered at par, with a bonus of one share of common stock for each four shares of preferred. A joint endowment policy on the lives of the president, vice-president and secretary-treasurer, constitutes the insurance sinking fund.

J. Nelson Day, Ltd., operate a beauty parlor on Yonge Street, Toronto. Gross revenue increased from $13,308 in 1923 to $75,023 in 1926, with $100,000 estimated for 1927. Fixed, movable and tangible assets are valued at $65,000.

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Canadian Security Markets Appear to be Healthy With New York Sins in Dim Past

By J. G. JOHNSTON.

The Financial Post in the last week has had an opportunity to get the views on the market situation from a leading Montreal broker, a leading Toronto broker, a high banking official who is especially equipped to know what is taking place in industrial companies and utilities, and an economist.

The Montreal broker said that it was the first time in a quarter of a century of observation that he had seen a healthy New York market.

The Toronto broker predicted a continuance of a selectively strong market.

The banker was sure that Canada would continue to prosper for the next ten years.

The economist sees no danger in the enormous increase in brokers' loans in the United States.

All Up or Down

In former times, said the Montreal banker, it was the custom for all New York stocks to rise at one time and to fall at one time. The reason, of course, was that there was no elasticity in the currency in the United States. When credit had been strained until borrowers could not get any more money, even at 18 or 20 per cent., everybody had to sell and sell quickly. When stocks were liquidated, prices, all prices,, began to rise again. It was a vicious circle.

London, of course, was affected in some degree by the recurring panics in the United States, but London always maintained a healthy state of the market, for the reason that money rates never got so high. There was elasticity in the currency there, as there is in the United States now.

Most observers, and certainly successful speculators, are of the opinion that there has been a wonderful market in the last several years. And because financial stringencies are never entirely forgotten, there are many who look for a return of the old conditions, with money high and stocks on the toboggan. But the market of the last two or three years has not been favorable to holders of oil stocks, or of textiles, or of coppers or of a number of others. The Wall Street Journal a few days ago published a long list of New York stocks which have been receding in value while a comparatively few leaders have been bettering themselves.

Not in These Days

The conclusion is that there is no need to anticipate such severe reactions in New York stocks as the financial world was accustomed to before the war. There are readjustments from time to time. Certain groups of stocks will continue to have good records; other groups are due for their troubles; still other groups have seen the worst of their troubles and are now being sought quietly for the long pull toward normalcy. The purchasers of these last, at least, are not worrying about money rates in the immediate future.

Everybody seems to have more cash than formerly, said the Toronto broker. More and more individuals are taking up their stock as fast as they buy it. Citing instances from his own business, he said that the volume of purely investment trading has been enhanced enormously in the last several years, beyond the dreams of the market operators in the days before the war when margins were slimmer and risks greater. There was a note almost of regret in this trader's voice, as he mentioned several Canadian listed stocks in which there is virtually no trading because investors have been buying steadily for years, and do not intend to part with their stock at any price.

Paraphrasing Morgan

He is extremely bullish on Canada for the next ten years, said the banker, paraphrasing the famous remark of the late J. P. Morgan. There does not seem to be anything in sight which seriously will interfere with national progress. Some apparently high prices which have been paid for various properties will be justified as time goes on, and the great basic industries are called upon to give of their utmost for the development of the country.

We are definitely on the threshhold of an era of low interest returns on investment, said the economist. Before the war, British Consols were investments yielding 2 per cent. and less. Nowadays, the Briton wants, 6, 7 or 8 per cent. for industrial money. But in the United States, and almost to the same extent in Canada, money is plentiful for sound industrial investment at 3 per cent. and good utility stocks are selling to yield 2½ per cent. The war has reversed the situation and so long as there is so much money available for investment purposes at low interest rates, a further rise in sound stocks is to be expected.

Notice the adjective. The "sound" stocks will continue to rise. There will be a continuance of what one broker called a "selective" market, and the other called a healthy market. In fact, close attention to what each of these four authorities said leads to the belief that they said virtually the same thing, that they reached the same conclusion although the premises were by no means identical.

WESTERN CANADA FLOUR EARNINGS SHOW INCREASE

Outlook for Current Year is Even Better, Says President

The annual report of Western Canada Flour Mills, which has just been published, is an improvement over that of the year before, with the common earning $2.62 the share, compared with $2.31 in 1926. The fiscal year ends August 31st.

The remarks of the president, D. B. Hanna, which accompany the report, point out that business was better generally throughout the year and that this condition accounts mostly for the improvement in the company's position. He indicated that the current year would also show considerable improvement.

Working Capital Higher

Profits in the year just closed totaled $388,797, compared with $328,096 in 1926 and $319,032 in the year 1925. Owing to the fact that the bonds of the company were redeemed in 1926, there is no interest under this head. A total $282,670 was paid out in dividends on the preferred and common stocks and $106,127 was carried to surplus, which thus stands at $713,334.

Working capital also is higher. It stood at $837,956 in 1924, $1,584,646 in 1925, $1,527,035 in 1926, and is now $1,719,192.

Profit and Loss

	1925	1926	1927
Profits	$319,032	$328,096	$388,797
Interest	$ 54,294	$ 47,245	
Dividends	230,000	256,625	$282,670
	$284,294	$303,870	$282,670
	$ 34,738	$ 24,226	$106,127
Prev. balance	548,243	582,981	607,207
Balance	$582,981	$607,207	$713,334

Price Bros. to Benefit From Duke-Price Power

Although several brokers recently were advocating purchase of Price Bros. common for an early rise in value, inquiry in responsible quarters indicates that no immediate marked appreciation is to be anticipated.

Price Bros. common is an attractive stock for a comparatively long hold. The company is in position to benefit from the earnings of Duke-Price Co., the common stock of which it owns 27 per cent. Duke-Price Power operates under favorable conditions, and it is expected that earnings accruing to Price Bros. will be substantial.

LIQUOR CONTROL HELPS COSGRAVE TO NEW PROFITS

Gains as Much in Last Quarter as in Rest of Year

Cosgrave Export Brewing Co., one of the few brewery concerns which succeeded in carrying on through the drought in Ontario, had a profit of $88,922 in the fiscal year ended August 31st. About half of this profit, notes the president, J. F. Cosgrave, was made in the last three months of the fiscal year, when the Ontario liquor control act was effective. On this basis, the current year should be much more satisfactory from the viewpoint of the company.

A profit of $88,922 compares with $48,576 the previous year, and enabled the company to carry $93,960 to surplus after regular payments of the dividend of $12,500 quarterly on the 100,000 shares of $10 stock which is held by 1,000 individuals. The stock has been traded around par in recent months, evidently on the reasonable assumption that the company would be better off under the liquor control act than when the export market was the sole source of revenue.

Working Capital Higher

The balance sheet reflects the improvement in business. Owing to the greater volume of business, an increase in the accounts receivable, inventory and supplies on hand was to be expected. There is some increase in working capital and the fixed assets, including trade-marks and good-will, which totaled $1,063,002 a year ago, now are carried at $22,000 less, although $30,000 additional had been spent for storage facilities in order more efficiently to take care of the increased business.

Profit and Loss Account, Year Ending Aug. 31

	1927	1926	1925
Net earnings	$88,922	$48,576	$68,249
Less dividends	50,000	50,000	70,000
Income tax	8,332	4,261	6,962
Surplus for year	$30,590	*$5,685	*$8,713
Previous surplus	62,945	67,769	76,436
Add refund	426	860	46
Bal. carried forward	$93,961	$62,945	$67,769

*Deficit.

Market Record, 1927

	High	Low
January	8	7
February	8	7¼
March	8	7¼
April	7⅞	6
May	8	6¼
June	12	8
July	10	9
August	10	8⅛
September	10½	8
*October	9⅞	8¼

*To October 11.

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Imperial Earnings Down Says New York Authority

Imperial Oil will earn $2 the share in 1927, compared with $3 the share in 1926, according to the Wall Street Journal, which publishes an article dispelling a number of rumors concerning Imperial, its subsidiary, International Petroleum, and the parent company of Imperial, Standard Oil of New Jersey.

Imperial has not $35,000,000 or any sum in call loans in New York or elsewhere, says this authority, which points also to the official statement from Standard of New Jersey that it does not contemplate increasing its holdings in Imperial by purchase, exchange or otherwise.

Recent rise in the price of Imperial Oil shares is attributed to the comparatively small floating supply of the stock. It is said that earnings actually have been less because of the oil situation which is international in scope. It is predicted that International Pete will pay only 50 cents in dividends for the whole year, compared with 75 cents in 1926.

It is believed that there has been a short interest in both Imperial Oil and International Petroleum in recent weeks.

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FEBRUARY MAY SEE DECISION IN BESCO PROBLEM

Appeal on Dominoin Steel Liquidation Set Down for January

It will probably be February before the question as to whether Roy M. Wolvin or the Royal Trust Co. is to be in charge of rehabilitation of Dominion Steel Corp., as a result of the Nova Scotia Supreme Court's granting of leave of appeal to the privy council in England against Justice Chisholm's decision appointing Royal Trust as liquidator of the property.

The case has been set down for presentation to the privy council in England in January, but it probably will be February before it is reached on the calendar. Following the argument, it is expected that a decision will be forthcoming immediately.

To Argue Bank Case

Of course, the present management of Besco and its subsidiaries, (excepting Dominion Iron & Steel) are confident that the privy councill will decide contrary to Mr. Justice Chisholm. Likewise, the National Trust Co., which initiated the proceedings, is hopeful that Mr. Justice Chisholm will be upheld.

A motion to have the so-called priorities action argued before the October term of the Nova Scotia Supreme Court was accorded, and the case ordered placed on the docket. The court opens October 18th.

This is an action in which the Dominion Iron and Steel Co., and the Dominion Steel Corporation are the plaintiffs and the Canadian Bank of Commerce, the Bank of Montreal, and the National Trust Co.,—the latter as trustee of the bondholders of the Dominion Iron and Steel Co., and as receiver and manager of that company—are the defendants. The purpose of the action is to determine the prior claim of the interests involved to some $2,300,000 representing the sale of certain assets of the Dominion Iron and Steel Co.

The litigation in which the British Empire Steel Corp. and its subsidiaries, the Dominion Steel Corp., and the Dominion Iron & Steel Co., have become involved dates back to 1926. It arose out of an action instituted by the National Trust Co., acting on behalf of the bondholders of the Dominion Iron and Steel Co. The National Trust Co. petitioned the court for a winding-up order to be executed against both the Dominion Steel Corp. and the British Empire Steel Corp. It based its claim on the ground that the management of the two corporations had lost the confidence of the shareholders, and that the companies' affairs were not being administered in the best interests of the bondholders. It asked that a liquidator be appointed so that the interests of the various classes of security holders would be best served.

Business Is Better

The trial judge, Mr. Justice Chisholm, granted the winding-up order, in one case appointing the Royal Trust Co. liquidator for the Dominion Steel Corporation, the holding company for both the Dominion Iron & Steel Co. and the Dominion Coal Co.

Whatever the outcome of this costly and involved series of litigation, its early settlement will be advantageous to all. It will enable the wreckage to be cleared from the decks of the corporations involved and a constructive policy to be formed for the future.

The improvement in general business conditions throughout the country has had a favorable reaction on the business activities of the British Empire Steel Corp. and its different subsidiaries at Sydney, N.S., and elsewhere.

The steel mills, under the direct supervision of the receivers, are enjoying better business than in 1926, and are in the receipt of orders which will assure a busy winter. Substantial orders have been received from both the Canadian National Railways and the Canadian Pacific Railway Co.

The cost of ore production has been materially cut down this year, and the price of pig iron has advanced some 75 cents a ton. The mills have been electrified and considerable improvement has been made in equipment. All of which has had a tendency to reduce operating costs.

The recent understanding as to prices and production which the European iron and steel interests have arrived at, and in which the United States is said to have a working agreement, has benefited the Canadian company. In several instances it has been able to quote prices for export trade which has secured it orders in such countries as India and South America.

Besco's collieries are stated to be working at capacity at the present time.

Dominion Iron Rail Mill Gets Foreign Orders

From Our Own Correspondent.

SYDNEY.—Sydney steel plant has begun the rolling of 8,000 tons of rails for the East Indian Railway. Before navigation closes, British steamers will load the finished product for delivery at Calcutta. As soon as the Indian order is complete, the rolling of 20,000 tons for the C.P.R. will commence.

No extra men will be taken on, but the operations will mean steadier employment for the 2,300 men now on the payroll. Steam tables have been replaced by electric tables, and other machinery improvements have been made recently at a cost of $35,000 to put the rail mill in first class shape to handle continuous tonnage throughout the winter.

Negotiations for 30,000 tons of rails for Chile are now proceeding, and it is reported that Sydney may get a share of further C.P.R. orders, that road now using the 39 foot rail which the local mill was the first in Canada to turn out.

Since taking charge a little over a year ago, the National Trust sales organization has dug up over 60,000 tons of business for the rail mill which is one of the reasons why the local population has received with equanimity the decision (since appealed) of the Supreme Court of Nova Scotia in favor of the trust company.

License Pacific Fire

The Superintendent of Insurance at Ottawa has announced that the Pacific Coast Fire Insurance Company has been licensed to transact the business of insuring against loss of, or damage to, property resulting from an earthquake, in addition to the classes for which it is already licensed.

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo.-Ft. Erie Bridge 7s '55	107½	109
Do., 8s '45	107½	...
Buff. Gen. Elec. 1st 5s '39	104¾	...
Bfo N & E Pow 5s '30	102	104
Lockport L H & P 5½ '54	102½	104

Unlisted Stocks

These prices are mostly as at October 10, and while obtained from reliable sources, cannot be guaranteed.

Industrial Stocks

	Bid	Asked
A. W. Chase, com.	4.00	7.00
A. W. Chase, pref.	60.00	....
Border Cities Pref. Bonus	$ 32.00	$ 39.00
Bowles Lunch	100.00	....
Brandram Henderson, Com.	19.00	28.00
Brandram Henderson Pref.	77.00	82.00
Brantford Rootfing	97.00	....
Brooks Steam Motor Units	2.75	3.75
Canada Machinery Com.	10.25	12.00
Canada Machinery Pref.	27.00	32.00
Canadian Celanese	80.00	82.00
Can. Paperboard Pref.	90.00	....
Canadian Westinghouse	190.00	....
Caulfields Dairy Com.	17.00	26.00
Caulfields Dairy Pref.	87.00	95.00
Copeland Flour Mills Pref.	19.00	....
Dom. Alloy Pref. Bonus Com.	1.50	2.50
Dom. Foundries & Steel Com.	1.50	3.50
Dom. Foundries & Steel Pref.	27.00	27.00
Dom. Linens Pref.	17.25	23.00
Dom. Manufacturers Com.	6.00	....
Dom. Manufacturers Pref.	66.00	....
Dom. Power Com.	30.00	33.00
Dom. Power Pref.	101.00	103.00
Dom. Sewer Pipe Com.	60.00	....
Dom. Sugar Com.	20.00	24.00
Dom. Sugar Pref.	93.00	99.00
Dunlop Tire Pref.	95.00	98.00
Durant of Canada	2.25	3.50
Farmers Dairy Com.	105.00	110.00
Farmers Dairy Pref.	101.00	105.00
Gillett, E. W.	65.00	....
Goodyear Cotton 7% Pref.	98.00	102.00
Gotfredson Truck Com.	15.00	20.00
Greening Wire Pref.	97.00	101.00
Guardian Realty Pref.	60.00	65.00
Hamilton United Pref.	69.00	....
Huethers Brewing Pref.	3.00	6.00
King Edward Hotel "A"	80.00	81.00
King Edward Hotel "B"	74.50	78.00
Kingston Ship-Building Pref.	17.50	....
Loew's Buffalo Pref.	30.00	37.00
Loew's London Com.	4.50	5.25
Loew's London Pref.	7.50	8.50
Loew's Mansfield Pref.	70.00	....
Milton Brick Co.	17.25	20.00
National Grocers 1st Pref. Ex. Div.	97.00	99.00
National Steel Car Com.	29.00	....
Nova Scotia Tramways	2.00	....
Nova Scotia Tramways, Pref.	20.00	....
Palace Thea. (Montreal) Pref.	51.00	....
Pure Food Com.	25.50	28.50
Simpson, Robt., Pref.	101.00	104.00
Standard Clay Products Com.	38.50	41.00
Toronto Baseball Club	....	90.00
Toronto Carpet Pref.	96.00	99.00
Willards Choc. Pref.	....	66.00

Insurance

	Bid	Asked
British America	40	..
Canadian Fire, Full Pd.	105	120
Canada Life	1100	1150
Canada National	16	20
Capital Life, 20% Pd.	22	25
Casualty of Canada, Full Pd.	180	..
Commonwealth, 10% Pd.	21	25
Confederation Life, 10% Pd.	72	..
Continental Life, 20% pd.	54	60
Crown Life, Full Pd.	240	..
Dom. of Can. Guar. & Ac.	310	..
Dominion Fire	105	..
Dominion Life, 50% Pd.	400	..
Excelsior Life, 30% Pd.	95	..
Federal Fire, 25% Pd.	35	..
Fidelity of Canada, Full Pd.	120	140
Great West Life, Full Pd.	440	475
Imperial Life, 85% pd.	400	..
Manufacturers Life, 45% pd.	350	400
Monarch Life, 10% Pd.	41	45
Montreal Life, 20% Pd.	54	60
National Life, 25% Pd.	70	..
Ontario Equitable, 10% Pd.	29	31
Security Life, 45% Pd.	10	20
Sovereign Life, 25% pd.	58	65
Sun Life, 75% Pd.	1550	1650
Toronto Casualty	27	30
Western Assurance	43	..

Mortgage, Loan, Etc.

	Bid	Asked
B. C. Permanent Loan	$100.00	$ ....
British Mortgage & Trust	202.00	....
Capital Trust	55.00	65.00
Chartered Trust	80.00	85.00
Commercial Finance Com.	24.00	28.00
Commercial Finance Pref.	80.00	85.00
Debentures & Sec. Com.	65.00	....
Debentures & Sec. Pref.	65.00	....
Lambton Loan & Savings	81.00	....
London Loan & Savings	46.00	50.00
Mfg. Finance Pfd. Bonus Com.	6.75	7.75
Midland Loan & Savings	15.00	....
Mortgage Discount Pref.	6.50	7.50
Mortgage Discount Com.	.40	.60
Mutual Finance Com.	7.00	8.50
Mutual Finance Pref.	7.00	8.50
Peoples Loan & Savings	76.00	....
Sherbrooke Trust Co.	110.00	....
Saskatchewan Mortgage	30.00	....
Sterling Trust	87.00	....
Toronto Finance	3.25	4.50
Waterloo Trust & Savings	100.00	....

Club Shares

	Bid	Asked
Bayview Golf	$	$ 35.00
Lakeview Golf	....	70.00
Lake Shore Golf	....	35.00
Lambton Golf	390.00	425.00
Mississauga Golf	15.00	35.00
Rosedale Golf	105.00	130.00
Summit Golf	....	35.00
Thistledown Golf	45.00	60.00
Thornhill Golf	....	85.00
Toronto Winter Club	....	45.00
Weston Golf	75.00	95.00
York Downs Golf	265.00	295.00

Recent London Quotations

	Sales
Calgary Power	52
Hudson's Bay	93s. 1½d.
Hudson's Bay 5% Pref.	97s. 6d.
Can. West Lumber	4s. 1d.
Standard Chemical 7%	21
Dominion Tar	40s.
Dominion Tar, Pref.	23s. 0d.
Mond Nickel	54s.
Lake Superior	3

Recent Vancouver Quotations

	Sales
B. C. Telephone Pfd., new	104½
Pacific Coyle, com.	14a.
Gosse Packing, com.	52a.
Do., Pref.	93a.

Recent Winnipeg Quotations

	Bid	Asked
Beaver Fire Co.	120	..
Can. Fire Ins. Co.	101	..
Home Inv. and S. Assn.	70	..
N. Mtge., fully paid	75	..
N. Mtge, 50% paid	37	..
Northern Trusts Co.	40	..
Standard Trusts Co.	..	33
N. Star Oil Co. pref.	5.00	..
N. Star Oil Co., com.	2.00	..
Traders' Bldg. Assn.	89	..

Stock Market Record

WEEK ENDING OCTOBER 11

	Div. Rate	Yield Oct. 10	High for wk.	Low for wk.	Close Oct. 11	Close Oct. 4	Sales for wk.	Range, 1927 High	Low
Banks—									
Commerce	12+1	4.65	280	271	271	280	222	295	228
Dominion	12+1	4.94	265	260	260	265	132	275	217
Can. Nationale	10	5.07	197	197	197	195	10	198	160½
Imperial	12+1	5.23	250	247½	248½	250	357	256	214
Montreal	12+2	4.05	347	341	345	340	847	355½	272
Nova Scotia	16	4.21	385	378	380	382	152	399	298
Royal	12+2	4.31	325¼	318	323	323	1138	344	257
Standard	12	4.80	250	248	249¾	250	516	250	196
Toronto	12	4.33	280	275	275	275	448	287	227
Paper—									
Abitibi, com. (no par)	5	3.61	140½	119½	137	123½	26132	140½	82
Do. pref.	7	5.60	..	...	...	...	...	125	113
Belgo-Can., pref.	7	6.73	104	103	104	103	73	105¼	101
Brompton (no par)	$2	4.39	46½	44	45	47	2395	49	31
Fraser, pref.	7	6.69	104½	104	104¼	104	209	104½	96
Inter. Paper, c. (no par)	$2.40	4.00	61¼	58	59¾	58½	48900	61⅞	39½
Do. pref.	7	7.03	..	...	...	...	...	99⅞	99½
Laurentide	6	5.74	105¾	102	102	105	5421	110¾	90
Price Bros., com.	2	3.03	67½	65	65	69	490	75½	51¼
Do. pref.	6½	6.25	104¼	104	104	104	185	104½	100
Smith, Howard, com.	.	...	72	69	69	74	805	75	59
Do. pref.	8	6.95	115	114	114	115	180	116	103½
Span. River, com.	7	6.19	115	105½	113	107	22719	115	97⅛
Do. pref.	7	5.55	126	118½	126	120	1257	126	110¼
Wayagamack (no par)	$3	3.70	83	79½	80	83	1427	84½	46½
Steel and Steel Industries—									
B.E. Steel, com.	.	...	1	1	1	1	20	1⅜	½
Do. 1st pref.	.	...	18	18	18	17¾	100	29¼	10
Do. 2nd pref.	.	...	..	...	...	...	...	4	1
Can. Car & Found., com.	.	...	45	42	42	45	215	50¼	35
Do. pref.	7	7.82	90	88	89½	91	76	94½	85½
Can. Fairbanks, pref.	6	5.88	..	...	...	...	...	102	80
Can. Forgings, com.	.	..	..	...	...	...	...	27	18
Do. pref.	x1½	...	..	...	...	...	..	87½	66
C.G.E., com. (par $50)	.	...	58	54	54	54	16	60	49
Do. pref. (par $50)	7	5.83	60	58	59½	58⅞	381	61	55
Canada Iron, com.	.	...	..	...	...	...	...	15	12
Do. pref.	4	6.89	..	...	...	...	...	60	42
Can. Locomotive, com.	.	....	..	...	...	...	...	48	25
Do. pref.	7	8.14	86	71	71	82	26	89	71
Dominion Bridge	4+4	2.95	280¼	268	279	272	5978	280¼	116¾
Dominion Coal	.	...	75	75	75	75	15	85	69
Dominion Iron, pref.	.	...	..	...	...	...	...	5	1½
Dom. Steel Corp., pref.	.	....	33½	33½	33½	32	50	33½	20
Ford Motor	15	....	..	...	...	...	...	475	436
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, c. (no par)	.	...	6	5	6	5¼	20	15	5
Do. pref.	7	9.09	77	77	77	75	10	95	65
Massey-Harris, c. (no par)	.	...	37¾	36	36	38	12247	42¾	29
Do. pref.	7	6.48	108½	107¾	108¼	108½	282	109¾	103½
McKin. Ind., c. (no par)	.	...	24	24	24	24	255	25½	15
Do. pref.	7	7.25	96½	96½	96½	96½	50	97	93¼
Do. Vot. Trust	.	...	24	23¼	23¼	24	280	26⅜	15
Ontario Steel, com.	6	5.35	112	109½	112	110	8	112	73
Do. pref.	7	6.66	..	...	...	...	...	105	100
Page Hersey, c. (no par)	$3	3.63	83¼	80	80	82	2316	90	55½
Do. pref.	7	4.32	166	160	160	163	245	180	116
Pressed Metals, com.	3	5.17	64	54	58	53	1009	64	34¼
Do. pref.	7	7.21	97	95	97	95	75	97	85
Russell Motor, com.	3	5.76	..	...	...	...	...	60	52
Do. pref.	7	7.14	..	...	...	...	...	99	90⅛
Steel of Canada, com.	7	4.13	176	163	164	173½	2868	222	117
Do. pref.	7	4.37	170	160	160	168	269	205	127
Milling and Foodstuffs—									
Alta. Pac. Gr., c. (no par)	.	...	54½	41	46	43¼	17599	54½	19½
Do. pref.	7	7.44	97	93	95	93½	1548	97	85
Arnolds, c. (no par)	.	...	17½	14½	15½	14½	4539	26	10½
Do. pref.	.	...	..	...	...	...	...	95	81
Atlantic Sugar, c. (no par)	.	...	27	24½	24½	25	3115	32	21¾
Do. pref.	.	...	89½	89½	89½	89½	25	101¼	89½
B.C. Fishing, c. (no par)	$1.25	8.93	16	14	14	15½	1550	22	12¼
Do. pref.	7	9.33	75¼	74	75	75	185	90	72⅝
Can. Bak., c. (no par)	.	...	36½	36	36½	38	190	42¼	26
Do. pref.	7	6.76	103⅝	103	103⅝	102½	22	103⅝	97
Can. Bread, c. (no par)	$6	3.75	168	158	160	171	155	172	90
Do. pref. (A)	7	5.83	120	119	120	122	22	125	108½
Do. pref. (B)	7	6.36	111	110	111	111	60	115	103
Can. Canners, com.	.	...	70	66½	70	66½	611	70	21
Do. pref.	5	4.80	105	102½	103½	103½	1159	105	76
Canadian Salt	8	5.71	..	...	...	...	...	140	123
Christie Brown, c. (no par)	$1.20	1.93	63½	61½	61½	63½	765	66	38
City Dairy, c. (par $25)	3+1	2.39	167	156	167	155	594	167	79
Do. pref.	7	5.73	..	...	...	...	...	123	112
Cuban Can. Sugar, c.	.	...	..	...	...	...	...	5	1¼
Do. pref.	.	...	..	...	...	...	...	37	26
Wm. Davies (A) (no par)	.	...	42½	42	42½	42	830	45	25
Do. (B) (no par)	.	...	..	...	...	...	...	20	9
Dominion Stores (no par)	$2.40	2.50	98	94	95	94½	5072	99¾	65
Ham. Dairies, c. (no par)	.	...	39	38	39	38	240	39	24
Do. pref.	7	7.14	99	98	98	99	31	99	95¼
Inter. Milling, pref.	7	6.43	108¾	108¾	108¾	108¼	2	108¾	104
Lake of Woods, c.	12	7.69	158	153	156	150	936	160	130
Do. pref.	7	6.08	..	...	...	...	...	118	110
Loblaw, com. (no par)	$1	1.31	77	63½	77	63	859	77	48
Do. pref.	7	5.73	122	122	122	122	46	123	107
Maple Leaf Mill., c.	.	...	102	97	97	100	216	102	49
Do. pref.	7	7.00	100	98	99¾	98	109	101¼	94
Ogilvie Fl., c. (no par)	$5+10	4.05	370	366	370	360	233	370	205
Do. pref.	7	5.55	126	125	125	128	15	126	120¼
Pure Gold Mfg. (no par)	$1.50	7.14	21	21	21	21¼	95	22	19⅛
Shred. Wheat, c. (no par)	$3	4.28	70¾	68	68	70	613	71¼	55
St. Law Flour, c.	.	...	27	27	27	27½	100	31½	25
Do. pref.	7	8.80	..	...	...	...	...	85	79¼
Viau Bisc., c. (no par)	.	...	..	...	...	...	...	26	16
Do. pref.	7	7.95	..	...	...	...	...	92½	83½
W. Can. Fl., c. (no par)	$1.40	4.83	30	29	30	29	367	30	22
Do. pref.	6½	6.31	..	...	...	...	...	106	100
W. Groc., c. (no par)	$1	5.55	18½	17	17	18½	135	29	13
Do. pref.	7	9.21	76	76	76	77	25	84	74¼
Utilities—									
Bell Telephone	8	5.29	151	149	151	150	840	158¼	137
Do. Rts.	.	...	9	8⅛	8½	8½	6967	10½	8
Calgary Power	.	...	...	...	...	...	...	50	50
Consumers Gas	10	5.37	186½	185⅞	186	186	181	186¼	171½
East Koot. Pr. (no par)	.	...	25	25	25	25	5	29¼	25
Do. pref.	7	7.23	...	...	...	...	...	98½	95
Inter. Util. (A) (no par)	$3.50	8.53	41¾	40¼	41	41¼	520	46	28
Do. (B) (no par)	.	...	7	6½	7	6¾	50	7⅝	4½
Jam. Pub. Ser., pref.	7	6.66	105	102	105	105	25	105	97
Laurentide Power	5	3.57	140	140	140	144	131	144	105
Mackay, com.	7	5.88	124	115	119	120¼	815	132½	108
Do. pref.	4	5.71	70	69½	69½	69¾	374	74	67
Mexican Light, c.	.	...	..	...	...	...	...	52	27
Do. pref.	3½	...	..	...	...	...	...	120	67
Mont. L H & P (no par)	$2	2.19	91¾	87½	91½	91	6656	96¾	68¼
Montreal Teleg. (par $40)	8	6.23	...	...	...	...	...	52	49
Nor. Mexico Pr., c.	4	5.40	76	73¼	73¼	77	320	83	42
Do. pref.	7	7.44	94	94	94	96½	15	96½	82½
Ot. & Hull Pr., c. (no par)	.	...	..	...	...	...	...	30	26
Do. pref.	7	7.21	98	97	98	97	10	100	96
Ott. L. H. & Pr., c.	6	4.68	128	128	128	128	70	128	98½
Do. pref.	6½	6.23	..	...	...	...	...	107½	102
Quebec Power, c.	.	...	76	72	72½	75	1830	79	72
Shawinigan (no par)	$2	2.33	86	84¼	85	86	6190	94¾	67
Do. Rts.	.	...	3¼	2⅞	3	3¼	35421	4	2⅞
S. Can. Pr., c. (no par)	$3	2.14	140	110	137½	109¾	592	140	85
Do. pref.	6	5.35	113	106½	113	105	221	113	99½
Transportation—									
Can. Pacific Rly.	10	5.05	200	196½	197	200	274	201	166
Do. Rts.	.	...	..	...	...	...	...	4⅞	3
Can. Steam., c. (no par)	.	...	39½	35	39½	35	2615	42	34
Do. pref.	6	6.63	93	89	93	90	2929	94¾	82½
Do. voting	.	...	..	...	...	...	...	37½	31
Tractions—									
Barcelona (par $50)	1	...	68	67	67¼	68¼	82	68⅛	33¼
Brazilian, c.	6	2.93	209	200¼	205⅝	206¼	77743	210	102½
Do. pref.	6	3.58	173⅛	167⅛	170	172¼	1310	173½	104
Detroit Un. Rly.	.	...	2	2	2	2	61	5	2
Duluth-Superior	$2	8.33	24	24	24	24	25	30¾	24
Minneapolis S.S.	.	...	..	...	...	...	...	43½	42¼
Mexican Trams.	.	...	..	...	...	...	...	21	19¼
Montreal Trams.	10	5.34	187	184½	184½	189	11	200	169
Ottawa Traction	4	6.25	67	64	64	67	30	70	64
Porto Rico Rlys., c.	$3	...	..	...	...	...	...	70⅝	59
Do. pref.	7	7.08	98¾	98¾	98¾	98¾	15	100	90
Twin City, c.	4	8.00	50½	49½	49½	50	483	66	48⅝
Do. pref.	7	6.86	..	...	...	...	...	103	100
Winnipeg Elec., c.	2	2.22	93½	87¾	90	92¾	4957	94¼	60¾
Do. pref.	7	6.54	108	106	108	108½	254	108½	100¾
Textiles—									
Can. Conn. Cotton, pref.	4	8.00	54	50	52¼	50	205	54	36
Can. Converters	7	6.66	105	100	101	100¼	90	107½	92
Can. Cotton, com.	8	6.40	125	124½	125	125	10	132	115
Do. pref.	6	5.85	102½	102½	102½	102½	95	102½	95
Can. Woollens, com.	.	...	8	8	8	8	3	10	5
Do. pref.	.	...	..	...	...	...	...	63¼	59¾
Cosmos Imp., c. (no par)	.	...	31⅝	28½	30	28⅝	7488	31½	13
Do. pref.	7	6.82	103	101	102½	102	203	103	91¼
Dom. Textile, c. (no par)	$5	3.87	132	128	129½	132	1756	135⅞	105
Do. pref.	7	5.76	121½	121½	121½	121½	11	123	115¾
Monarch Knit, c.	.	...	..	...	...	...	...	7½	7½
Do. pref.	.	...	..	...	...	...	...	54	49
Montreal Cottons, c.	6	5.21	..	...	...	...	...	117	110
Do. pref.	7	5.80	120½	119	120½	118	51	120½	114
Penmans, c. (no par)	$4	4.34	98	92	94	98	410	108	70
Do. pref.	6	5.76	104	104	104	104	50	105	101
Wabasso Cotton (no par)	6	4.54	132½	128	131½	132	742	137	84
General Industrials—									
Amer. Sales, c. (par $20)	4	5.88	68	68	68	68	178	75	60
Do. pref.	7	6.73	104	103	104	103	181	104	97½
Asbestos Co., c. (no par)	.	...	36	33	36	36½	6529	37¼	20
Do. pref.	7	7.36	95	94¼	94½	95	882	102¼	82¾
Brant. Cd., p. (par $25)	8	8.79	22¾	22½	22½	22	225	25	20¾
Brew. & Distil. (par $5)	5	7.68	14½	13¼	14½	12½	485	14½	4½
Building Products, pref.	7	6.98	100¼	100¼	100¼	100	5	101	93¼
Burt, F. N., c. (par $25)	$3	4.44	68	66½	67	68	1117	68	56½
Canada Cement, c.	6	2.45	244	243½	244	243½	1660	245½	124½
Do. pref.	7	5.69	123¼	123	123	123	111	124½	116
C. Ind. Alc. (no par)	$1.28	3.46	38	36¼	36½	38¾	9241	40	21¼
Do. Rts.	.	...	30	12	15	...	38146	30	12
Can. Oil, c. (no par)	$1	3.22	32	29	31¼	28¾	3796	33⅛	21
Do. pref.	8	6.73	118¾	118½	118½	118¾	85	121	115½
Can. Bronze, c. (no par)	.	...	59	56	59	57	4590	59	43
Do. pref.	7	6.60	106⅛	105	106⅛	105	135	106⅛	98½
Cons. Smelters (par $25)	10+5	0.97	265	252	257	258	13751	270	215
Crow's Nest Coal	6	10.90	..	...	...	...	...	71⅛	50
Dom. Glass, c.	7	5.42	130	128	128	132¼	450	134¾	104
Do. pref.	7	5.83	120	120	120	115½	62	120	111¼
Dom. Rubber, pref.	7	9.33	..	...	...	...	...	75	75
E. Theat., c. (par $25)	.	...	25	25	25	27	18	30	24
Do. pref.	7	7.36	95	95	95	92	10	97	92
Famous Players, com.	.	...	42	39½	41½	40	131	42	20
Do. pref.	8	8.08	99	98	99	98	210	101	93½

An Innovation

Our efforts to make sure that you receive your PICCADILLY in the very best possible condition have resulted in a new method of packing which we have termed *hermetic.*

BY APPOINTMENT TO H.R.H. THE PRINCE OF WALES

This *famous mixture* is now packed in the *new patent hermetic tin,* which enables us to guarantee its absolute freshness and therefore gives you better smoking satisfaction.

Quantity and price remain the same—twenty-five cents

HIGHEST GRADE SMOKING TOBACCO
Piccadilly
LONDON
SMOKING MIXTURE

PICCADILLY

	Div. Rate	Yield Oct. 10	High for wk.	Low for wk.	Close Oct. 11	Close Oct. 4	Sales for wk.	Range, 1927 High	Low
Gilman, com.	6	5.46	..	...	...	...	...	112	109⅞
Do. pref.	7	6.18	113¼	113¼	113¼	115	5	125	110
Goodyear Tire, c. (no par)	$5	4.97	100½	98½	100	96½	475	100½	85⅛
Do. pref.	7	6.74	104	102	103¼	103¾	1075	109	94½
Hayes Wheel, c. (no par)	.	...	32⅞	31½	32½	33	246	34¾	27¾
Do. pref.	7	7.29	96	96	96	96	5	98	91
Holt, Renfrew, c.	.	...	..	...	...	...	...	45	43
Do. pref.	7	7.60	..	...	...	...	...	92	85
Hunt's Ltd., c. (no par)	.	...	30	27	29½	27	130	30	20
Do. pref.	7	7.44	94	94	94	93	3	95	90
Inter. Nickel, c. (par $25)	$2	2.98	70	65⅞	67	70½	30331	75	38
King Edward Hotel	$1	...	57	47½	52	47½	1183	60	20
Lake Ont. Brew. (no par)	$2	8.00	25	25	25	26	140	31½	24
L. Secord, c. (no par)	.	...	44⅞	42	42	44	241	47½	26
Do. pref.	7	5.30	134	131½	131½	136½	67	140	102
Lyall Construction	.	...	46	44	46	45	335	46	32
Loew's, com.	.	...	..	...	...	...	...	47	38
Do. pref.	7	6.93	101	101	101	100	5	105	96½
Muirhead's, c. (no par)	50c	4.54	11½	11	11½	11	54	13½	8⅞
Do. pref. (par $10)	75c	5.77	13½	13¼	13½	13¼	50	13½	10⅞
Nat. Brew., c. (no par)	4	4.44	91	87½	88½	90½	11761	95	65
Do. pref.	7	6.10	115	114	114	115	86	115	105
National Brick, com.	.	...	4	4	4	8	25	10	4
Do. pref.	7	11.66	60	59⅞	59⅞	56	80	81	56
Pacific Burt, com.	6	5.79	103½	103	103½	102	80	103½	87
Do. pref.	7	6.19	..	...	...	...	...	113	102
Port Hope San., com.	4	2.42	..	...	...	...	...	165	125
Do. pref.	7	6.30	..	...	...	...	...	111	90
Rogers, Wm., com.	.	...	70	70	70	75	65	80	64
Do. pref.	7	6.98	100¼	100	100	101	84	102	92
Seagram (no par)	.	...	22	20½	20½	21¼	4810	28⅞	15
Sher-Williams, com.	6	3.15	196	190	190	200	170	207	142
Do. pref.	7	5.88	120	120	120	120	25	121	117
Standard Chem., pref.	.	...	..	...	...	...	...	20	15
Stanfords, c. (no par)	.	...	20½	19	20½	20	84	21¾	19
Do. pref.	7	7.86	89	89	89	89	10	92	88½
Sterling Coal	.	...	22½	22½	22½	22½	20	36	22½
St. Maur. V. c. (no par)	.	...	56½	55	55½	56	590	58	47
Do. pref.	7	7.07	99	99	99	98	125	99	94½
Tooke Bros., com.	.	...	..	...	...	...	...	16	5
Do. pref.	7	9.72	..	...	...	...	...	72½	65
Tuckett Tobacco, com.	4	4.21	95	95	95	95	25	95	69
Do. pref.	7	6.14	114¼	114	114	111	42	114¼	103⅝
Woods Mfg., com.	.	...	..	...	...	...	...	46	39
Do. pref.	7	9.33	..	...	...	...	...	89	75
Zimmerknit, c. (no par)	.	...	24	23	23½	25	235	25½	18
Do. pref.	7	7.69	93	91	91	91	43	93	89½
Trust and Loan—									
Can. Landed (par $50)	10+1	4.74	116	116	116	115	50	118	94
Can. Permanent	12	5.21	230	230	230	230	77	235	216⅛
Col. Invest. (par $10)	6	...	5¼	5¼	5¼	5	2	7	5
Econ. Invest. (par $50)	4	3.39	59	59	59	58	25	59	53
Huron & Erie	7+½	5.03	..	...	...	...	...	152¼	139
Landed Banking	10	5.81	..	...	...	...	...	172	161
Mont. Loan (par $50)	12+1	6.91	..	...	...	...	...	52¾	47
National Trust	12	4.78	..	...	...	...	...	255	232
Ont. Loan (par $50)	12	5.00	..	...	...	...	...	120	111
Real Estate Loan	7	6.86	..	...	...	...	...	105	100
Toronto Gen. Trusts	12	4.81	249	249	249	248	5	249	220
Toronto Mtge. (par $50)	10+1	5.00	110	110	110	110	13	110	100
Union Trust	7	6.16	..	...	...	...	...	113½	104
Canada Life	20	1.81	1100	1100	1100	...	6	1100	1100

CURB AND UNLISTED MARKETS

	Div. Rate	Yield Oct. 10	High for wk.	Low for wk.	Close Oct. 11	Close Oct. 4	Sales for wk.	Range, 1927 High	Low
Anticosti, pref.	7	7.12	..	...	...	...	...	98⅜	98
Attendu Engine (par $1)	.	...	15	14	14	15	295	35½	12
B.C. Oilfields (par $5)	.	...	..	...	...	...	...	2⅜	2
Beacon Oil	.	...	15	14½	14½	14¾	975	20⅝	14½
Belding, com.	6	8.00	75	75	75	75	15	88	67
Do. pref.	7	7.21	..	...	...	...	...	100	96¾
Brading Brew. (no par)	$2	5.71	..	...	...	...	...	35½	20
Brit. Am. Oil (no par)	80c	2.58	32½	30¼	30¾	32	16315	34½	20
Can. Brewing (no par)	.	...	30⅞	24	30¼	24¾	40755	30⅞	22¼
Can. Celanese (no par)	.	...	81	79	79	80½	371	85½	52¾
Do. pref.	.	...	93⅜	91	93	92	166	94	88
Can. Light & Power	.	...	45	44	44	45	262	55	20
Can. Malting (no par)	.	...	33	31	32	32⅝	7131	34½	27¾
Can. Nor. Pr., c. (no par)	.	...	..	...	...	...	...	65	42
Do. pref.	7	7.08	..	...	...	...	...	100¼	97
Carling Brew. (no par)	$2	7.47	27	25	26	27	1649	34½	25
Cockshutt, pref.	4	4.84	83	82	82	82	190	83½	67
Continental Oil	$1	5.26	..	...	...	...	...	22¼	16½
Cosgrave Brew. (par $10)	5	5.43	9⅜	8¼	9¼	9⅞	1560	12	6
Cooksville Shale Brick, c.	.	...	..	...	...	...	...	14	10¾
Do. pref.	4	7.27	..	...	...	...	...	55	50½
Com. Alcohol (no par)	$1	4.34	23	21	23	22½	593	70	15
Do. pref.	8	7.76	103	103	103	105	10	110	103
Cuneo Press	.	...	..	...	...	...	...	58⅞	58
Dom. Engineering (new)	.	...	50½	50	50	...	225	50½	50
Dom. Engineering	8	3.22	251	220	250	220	81	251	135
Dom. Power, pref.	7	7.00	101¼	100	100	100⅝	20	101⅜	100
Dryden Power (no par)	.	...	18	16½	17¼	17	630	19½	9½
E. Dairies, c. (no par)	.	...	50⅛	45½	49⅞	46	2258	50⅛	20½
Do. pref.	7	7.07	99	98½	98½	97	110	99	94
Eng. Elec., c. (no par)	.	...	..	...	...	...	...	18½	15
Do. pref.	.	...	75½	75	75	75	75	95	72½
Foothills Oil	.	...	2.75	2.70	2.70	2.75	2850	3.25	2.00
Good. & Worts (no par)	$1	1.85	58½	52⅜	58½	54	6480	64	43¼
Chas. Gurd, com.	50c	...	39	38	38	40	75	43	28⅞
Do. pref.	7	7.29	96	96	96	97	25	97	93
Hiram Walker (no par)	$2	3.56	58⅛	52¼	58⅛	58	24446	58½	28½
Illinois Power, pref.	7	7.00	100½	100½	100½	100	10	101	98
Imperial Oil (no par)	$1.50	2.58	59¼	56	59	58¼	23548	64½	37¾
Imp. Tob., c. (par $5)	6	3.33	9	8¾	8⅞	8¾	5760	10	6¾
Inter. Petrol. (no par)	75c	2.42	32½	30¼	30½	32½	3165	35¼	28
Inter. Power, com.	.	...	36½	28	36	27½	1369	36½	14½
Do. pref.	7	7.77	91	90	90	90	41	91	85
Loew's London, com.	25+5c	...	..	...	...	...	...	5¾	4¼
Manitoba Power (no par)	.	...	80½	74	74	79¾	1508	80½	50
McColl, com. (no par)	80c	1.73	47½	45	47	47½	2090	50	22½
Mitchell, J. S.	.	...	..	...	...	...	...	32	28
Mount Royal, com.	.	...	..	...	...	...	...	6	3
Do. pref.	6	...	..	...	...	...	...	55¾	40
Perfection Glass	.	...	..	...	...	...	...	8	6
North. Bak. (no par)	.	...	44	39¾	42	41¼	26934	44	25
N. Star. Oil, c. (par $5)	.	...	1.50	1.50	1.50	1.50	100	2.55	1.15
Do. pref. (par $5)	7	...	..	...	...	...	...	5.01	4.90
N.S. Car, com. (no par)	.	...	29	29	29	30	25	30	18¼
Ott. Mtl. Pr., c. (no par)	.	...	..	...	...	...	...	25	19
Do. pref. (par $50)	7	6.79	51½	51½	51½	51	40	51½	47
Ott. Riv. Pr. (no par)	.	...	..	...	...	...	...	26	23
Paton Mfg., c. (no par)	.	...	53	53	53	53	75	60	25
Do. pref.	.	...	99	99	99	100	67	100	95
Port Alfred, com.	.	...	65	65	65	65	65	65	55
Do. pref.	7	7.07	100	99	99	99	181	100	95
Power Corp., c. (no par)	.	...	62⅛	56¼	60	57	24180	62⅛	27¼
Do. pref.	6	6.12	99	97½	98	97½	149	99	94
St. Maur. Power	4	2.56	160	156	156	160	189	170	96
Simpson, Robt., pref.	6	5.89	..	...	...	...	...	102	100
Sovereign Secs. (par $5)	.	...	..	...	...	...	...	2.00	1.50
St. Law. Pap., c. (no par)	.	...	..	...	...	...	...	63	35
Do. pref.	8	7.33	..	...	...	...	...	110	104
Standard Clay	.	...	..	...	...	...	...	40	38
Supertest Petroleum, c.	.50+50c	2.63	38½	38	38	40	95	40	35
Do. pref.	7	7.29	96	96	96	97½	85	97½	96
Toronto Brew. (no par)	.	...	10⅜	10¼	10¼	10½	100	13⅛	9½
United Secs., com.	.	...	65	61	63	60	404	70½	43½
Do. pref.	6	5.66	106½	106	106	106	132	106½	103¼
Volcanic Oil	$1.40	5.40	26	26	26	26	119	47¼	23
Venezuelan Pete. (par $5)	.	...	..	...	...	...	...	7½	6
Wallace Sand	.	...	..	...	...	...	...	3	2¼
Wolthausen (no par)	.	...	..	...	...	...	...	25	20

xArrears.

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Pulp & Paper

Upward Move is Sound on Spanish and Abitibi

Merger of Two Companies is Foreseen in Some Quarters

WOULD BE DIFFICULT

New York Expects Abitibi to Declare Split of Two Shares for One

From Our Own Correspondent

MONTREAL.—The sharp upward movement of Abitibi Power and Paper Company's stock, followed by a sympathetic rise by Spanish River Pulp and Paper, has been the source of much speculation as to the probable cause, and rumors are not wanting to account for the spectacular soaring of the stock of these two companies over the past week. It is said that the International Paper Company is seeking control, but the idea is generally discounted. The amalgamation of the two companies is also predicted. Such a proposal was mooted as far back as January 1925, but it was found impossible at that time to establish a working understanding between the two companies because of the varied status of the securities of each. It is said that it will be extremely difficult to place a value upon the stock of the two companies in a merger such as is suggested, that would prove satisfactory to the present shareholders. This in fact, is held responsible for the failure of the proposed merger in 1925.

Rise Justifiable

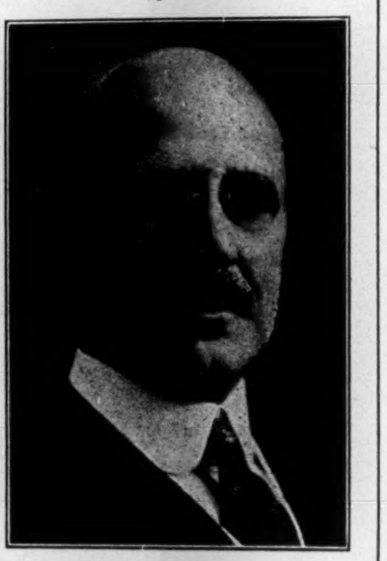
Whatever is behind the present movement, it can be said that regardless of any proposed merger, the prices the two stocks are now commanding on the stock market are quite justified, when comparing them with the price at which stocks of other companies in the same industry are selling.

A new alignment of the different Canadian paper companies is foreseen by some and the formation of three distinct groups is predicted. The International Paper group, the Price Brothers group, and a third group which would be composed of Abitibi, Spanish River, and many of the other paper companies not included in the first two groups. The successful operation of the Canadian Newsprint Association which was formed to take care of the marketing of the products of the Canadian mills and the adjustment of production, has not been overlooked by the different companies concerned. It is, therefore, thought that the pressure of opinion which would be exercised by the interlocking Board of Directors which features many of the Canadian paper companies, would be conducive to such an alignment. Having benefited by pooling their interest in the marketing of their products, it is thought that even greater advantages may be obtained in a closer co-operation in the management of the mills themselves. The present day trend is all for consolidation and it well may be that the Canadian newspaper companies will adopt the principles which have been applied with marked success by other industries.

Abitibi May Secure Split

In the case of Abitibi, New York credits the rise of this stock to a coming split in the common stock on the basis of two for one with the possibility of a $4 annual dividend on the new stock. It is said such a plan has been considered by the company for some time.

Industry's Leader



L. R. WILSON,
President, Canadian Pulp and Paper Association, who presided over luncheon in Montreal, celebrating laying of cornerstone of new Pulp and Paper Institute.

The capitalization of the company at the present time is as follows: $1,000,000 seven per cent. cumulative preferred shares, and 250,000 shares of no par value common stock. Both the preferred and common shares are fully issued.

The dividend rate on Abitibi common stock at the present time only amounts to $5 per annum payable quarterly and this rate was only initiated in January of this year, succeeding the $4 dividend rate paid on the shares over the 1925-23 period. This is, however, in no way indicative of the company's earnings.

In 1926, the company's net earnings amounted to $4,254,595 and the earnings of the common stock amounting to $11.56, after all charges and allowing for preferred dividend requirements. The common stock earned $11.20 in 1925, $10.95 in 1924, $9.59 in 1923, and $7.04 in 1922.

The policy of the Abitibi directorate in the matter of dividend disbursements has always been a most conservative one, and it has been estimated that during the past six years, more than 60 per cent. of earnings have been turned back into the company's property or into its investment fund, with the result that the balance sheet of each succeeding year has shown the company more firmly entrenched in a sound financial position.

Pioneer Developments

Although Abitibi is generally classed as a public utility stock on the New York market, because of its large hydro power developments, it is one of the largest of the Canadian pulp and paper companies. Its newsprint mill at Iroquois Falls, Ont., has a daily capacity of 525 tons of groundwood pulp, 140 tons of sulphite pulp, 515 tons of newsprint and 30 tons of wrapping paper. Its timber limits comprise some 5,400 square miles and are estimated to contain 13,000,000 cords of pulp wood.

As a power producer it develops 60,000 horse power at its Grand Falls hydro station, and 55,000 horse power at its Twin Falls development.

Abitibi's fixed assets are valued at over $26,300,000. Its investments exceed $3,960,000 and its current assets amount to over $4,447,000. This with deferred charges of some $51,000, brings its total assets up to over $34,831,000. Outstanding bonds amount to some $8,943,000.

SAY ABITIBI WILL SHOW $14 A SHARE

Rise in Stock is Delayed; Recognition of One of Leaders in Field

Strength of the Abitibi Power & Paper Co. common on the New York and Montreal Stock Exchanges over the past few weeks can probably be attributed to delayed recognition of the excellent record of this large Canadian enterprise—one of the most important concerns of its kind in the world. Another factor entering into the situation is the possibilities in the power end of its business. While no official figures of earnings for any part of the current year are available, it is understood that net this year will probably be around $14 a share on the common. This would closely approximate the 1920 record earnings of $14.71 a share.

For many years past, Abitibi's earnings have shown consistent increase. With but one exception, net income in 1926 was the largest in the company's history, equivalent to $11.57 a share on the common stock, after all charges and allowing for preferred dividend requirements. In 1925 earnings after the same charges equalled $11.20 a share; in 1924, $10.95 a share; in 1923, $9.59 a share, and in 1922, $7.25 a share.

Abitibi is one of the largest Canadian paper manufacturers, making ground wood pulp, sulphite pulp and newsprint. At present production is running around 165,000 tons annually and this figure will probably be substantially increased in the next few years. The company is also becoming an increasingly important factor in the hydro-electric field, with a development of approximately 30,000 horsepower at Twin Falls, Ont.. on the Abitibi River. When alterations at the plant purchased in 1926 from the Hollinger Consolidated Gold Mines have been completed, there will be added about 35,000 additional horsepower.

Directors have maintained a conservative attitude in respect to dividend disbursements for many years past. In fact, less than 40 per cent. of earnings over the past six years has found its way to stockholders, with the remainder either going to swell liquid assets, or being reinvested in the property. Expansion has been so rapid, however, that surplus earnings alone have been insufficient to meet requirements and the company has had recourse to bond financing.

Treasury position, however, was sound at the close of 1926. Current assets on that date totalled $3,696,586, of which approximately $950,000 consisted of cash, with the remainder almost equally divided between accounts receivable and inventories. Against this, current liabilities were $1,723,871, leaving "net quick" of rising $2,000,000. As $4,000,000 bonds were issued early this year, financial position at present is probably even more favorable.

Inasmuch as Abitibi has been piling up reserves for many years past, increasing its fixed assets and adding to working capital, its position in the industry is now practically impregnable. With its huge timber reserves, modern pulp and paper plants and well-rounded organization the company has little to fear from competition as its costs compare very favorably with any of its competitors.

Newsprint Mills Increase Capacity

From Our Own Correspondent

MONTREAL.—The daily capacity of the newsprint machines in use in Canadian pulp and paper mills will show an increase of 18 new newsprint machines, and an increased daily capacity of 1,865 tons by the end of 1927. Up to the present time 16 new machines with a total daily capacity of 1,665 tons have been placed in operation this year. In 1926 the mills added 14 new machines with an aggregate capacity of 1,315 tons.

Latest available figures give the rated capacity of the Canadian newsprint mills at 8,420 tons a day, as compared to 5,992 for United States mills and 735 tons for Newfoundland and Mexican mills.

The capacity of the Canadian newsprint mills has been steadily increased from year to year, but it is thought that with the completion of present expansion plans a halt will be called, and no further machines will be installed for a time at least. The rapid growth in the number of newsprint mills in Canada, and the large number of new machines put into operation during the past few years has proved too great for actual consumption demands. This has reacted in a lessened demand and a consequent drop in newsprint prices, so that the mills have had to curtail their production. It is, therefore, thought that the pulp and paper companies after completing their present construction programs will mark time until an increased demand for their product warrants further development of their equipment.

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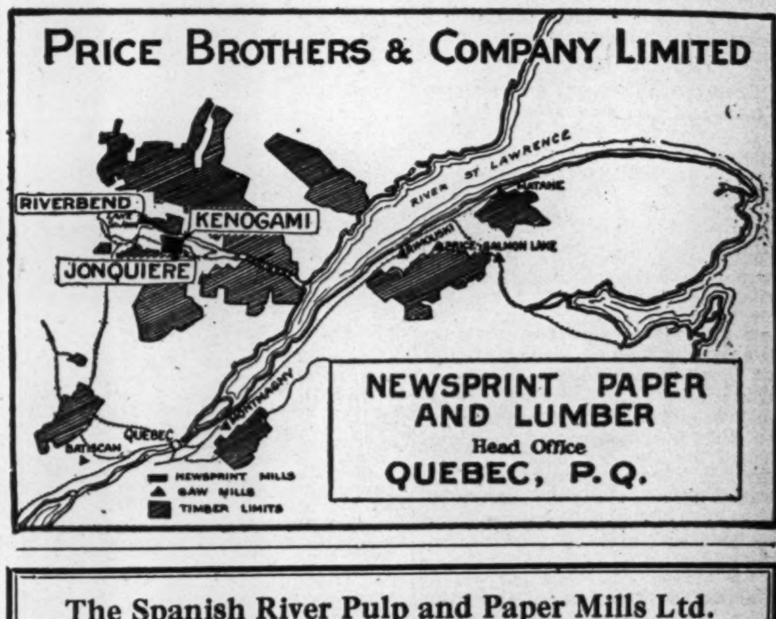

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QUEBEC, P.Q.

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SAULT STE. MARIE, CANADA
Manufacturers of News Print Paper

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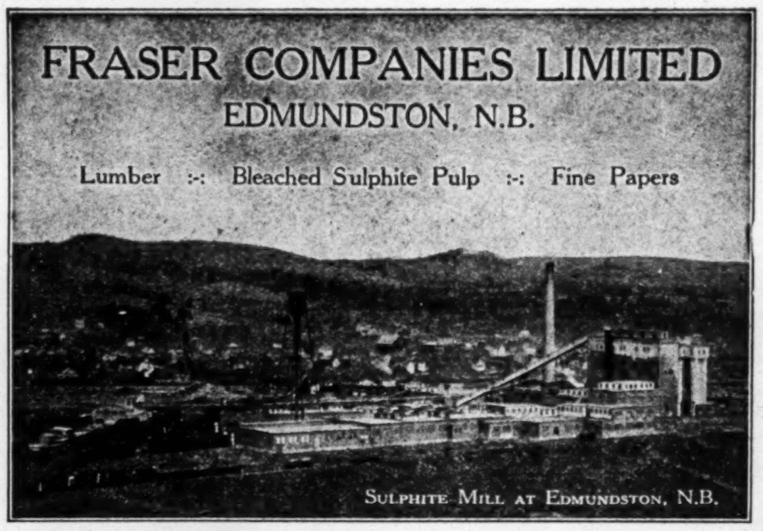

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New Pulp and Paper Laboratory is Real Advance in Research

Will House Research Institute, Forest Products Laboratory and Pulp and Paper Association

The cornerstone of the new Pulp and Paper Institute was laid on Thursday of this week in Montreal. The erection of this new structure will mark a genuine advance in the relations of the pulp and paper industry to scientific research in Canada.

In the cornerstone of the building was deposited, along with other current periodicals, a copy of the Ninth Annual Pulp and Paper Number of The Financial Post, published September 30. It was felt by officers of the Canadian Pulp and Paper Association that this number gave a very comprehensive picture of the pulp and paper industry in Canada to-day and of the individual companies in that industry. When the cornerstone is opened 75 to 100 years hence the remarkable changes that are certain to come within that period in the industry will be etched out sharply in contrast with the story presented by that number.

House Research Laboratory

The new building, which is being erected near McGill University, Montreal, will house a Cellulose Research Laboratory to be operated as an adjunct to McGill University and will also provide headquarters for the Canadian Pulp and Paper Association.

The building has been erected through the co-operation of members of the association who subscribed to $350,000 of bonds to provide the necessary capital.

The Dominion Government also co-operates and will make an annual contribution in return for the housing in the building of the Pulp and Paper Division of the Forest Products Laboratory. McGill University will maintain and administer the building. The cost of maintenance, apart from the Dominion Government's special rental, will be borne in equal shares by the government, the university and pulp and paper association.

Sees Value of Research

In a letter to members of the pulp and paper men of Canada, Sir Arthur Currie emphasizes the value of research in the pulp and paper industry:

"The last century has seen a great change in the life of humanity, a change brought about by science and its applications. Railways, motor cars, steamships and electrical communications have made the world smaller; electric power and cheap fuel have made life easier. Science has contributed to recreation, and the phonograph, the radio and the cinema bring pleasure to many whose lives would otherwise be dull and drab. But there has been no greater advance than in the spread of knowledge by the printed word. More books have meant more education, newspapers make us neighbors with all our own countrymen and with distant peoples, and books and newspapers depend on your industry. And you, whether you are making paper or one of the hundred other products of cellulose fibre, depend on science.

"It has sometimes been said that a university should concern itself with pure science only and that the applications of science should be taught in those industries principally concerned. This has never been our view at McGill, where for more than fifty years our Faculty of Applied Science has been training engineers. To-day we have gone a step further. The companies engaged in the pulp and paper industry are co-operating in research and the university is undertaking to correlate with the efforts of their scientists the work of its own staff. The university segregates, as it were, those fundamental investigations which are of special importance in relation to a particular industry, while the companies co-operating under the same roof deal jointly with the practical applications of research to their own everyday problems."

Tells Story of To-Day

The Pulp and Paper Magazine, in a leading editorial in its most recent issue, gives a survey of the present status of the pulp and paper industry in Canada writing, as it were, to a reader of 75 to 100 years hence who might be present at the opening of the box in the cornerstone. Its review says in part:

"Canada has, of course, developed tremendously in these sixty years, during which the pulp and paper industry has grown from comparative insignificance to the greatest manufacturing industry in Canada. The manufacture of both groundwood pulp and chemical pulp by the soda process were only just introduced at the time of Confederation. The mechanical pulp process, based as it is on Canada's wonderful resources of water power and pulpwood, is the principal factor in the manufacture of newsprint paper, in the production of which commodity Canada now leads the world by a very comfortable margin. At the present time there are several large groups of mills and a number of smaller units. One selling organization handles the export sales of well over half the newsprint produced.

"A feature of the industry in Canada, which attracts favorable attention everywhere, is the cordial spirit of co-operation that binds the Canadian industry together. Practically all of the Canadian mills belong to the Canadian Pulp and Paper Association which successfully serves them all in a great many helpful ways, and thus aids in binding them all together for mutual co-operation in times of prosperity, as well as in times of trouble.

Growth Greatest in Decade

"The growth of the paper industry in Canada has been most marked in the past decade, and more particularly in the past two or three years. Canada's production of the various kinds of paper during the past year is given in some detail in an article on another page of this issue. That statement, however, impressive though it is, does not tell the whole story; the past year saw an addition of 14 machines of 1,315 tons capacity, while the current year has already seen the starting of 13 machines with a capacity of 1,400 tons, with two more machines to start this year, rated at 200 tons capacity. These machines are to make newsprint paper but will, of course, require corresponding additions to groundwood and sulphite mills and will furnish a steady demand for large quantities of hydro-electric power.

"This increase in newsprint capacity has been very rapid, more so than the rate of increase in the demand for the product, so that there is at present an excess capacity of nearly 20 per cent. In the face of this, a very interesting situation exists in that the price of the product—$65 per ton— has not been decreased through cut-throat competition, since the manufacturers realize that they are scarcely making a fair profit on their product at present, and would lose money at a lower price, without creating a corresponding increase in total consumption. The market for about 90 per cent. of Canada's newsprint production and for a large part of the wood pulp produced is in the United States, and the prosperity of our industry is, therefore, largely a reflection of conditions across the line. There is no apprehension of a slump, since business is good and prospects encouraging.

Other Paper Types Lag

"Other grades of paper have not experienced the same development that has characterized newsprint production, since the big consuming market in the United States has fenced itself in with a tariff barrier against higher grades of paper, and other markets, while furnishing a very nice business to our other paper manufacturers are not capable of the same quantity consumption, and are, besides, somewhat difficult of access and cultivation. The outside markets for Canada's book, writing, and wrapping papers are chiefly other parts of the Empire.

"Besides the amount of pulp exported to the United States, there is a fair market in Japan for sulphite pulp, and in Great Britain for some groundwood pulp, while Canada has the honor to produce about 50 per cent. of the special high grade sulphite cellulose used for the manufacture of artificial silk (rayon). This development in the use of wood pulp promises great things for Canada's forest industry, and is one of the reasons for the need of such a research institution as that now being built in Montreal.

Educational Work Important

"Educational work is a prominent feature of the present day interest of the industry, and links up with the research activities. The Institute of Industrial pulp and paper courses by correspondence Arts has had over 1,100 enrolments in pulp and paper courses by correspondence in the five years of its existence, a residence school of paper making is maintained at Three Rivers by the Provincial Department of Lands and Forests, and lectures on pulp and paper making are given at McGill and Toronto universities by members of the institute staff.

"It would take many pages to discuss even the principal conditions of our time, but one or two others might be mentioned. One is the feeling in some quarters—even the conviction—that our mills will experience a pulpwood famine within fifteen years. This feeling has greatly increased the attention given to protection of the forest from fire, with the introduction of airplanes and other improved means of discovering and extinguishing fires. It has lead to intensive campaigns for the education of the public as to the importance of our forests; it has prompted the beginning of forest plantations, and has even aroused a discussion of the advisability of an embargo or an export tax on unmanufactured wood, which at present may be sent out of Canada from freehold lands, but not from Crown lands. Another important feature of current events, is the very rapid growth of hydro-electric power developments; in many of which we find paper makers taking a leading part. For internal power development we have witnessed a recent improvement of steam boiler plants and the introduction of pulverized fuel in many of them. The greatest hydro-electric project now under discussion is the proposed development of the St. Lawrence River, with which is included the construction of a ship canal that will admit ocean vessels to the Great Lakes. Another big transportation project is the work on the completion of a railway from Le Pas to Hudson Bay.

Use Air Planes and Radio

"Airplanes are flying here and there, carrying passengers, mail, and goods, even crossing the ocean and over the North Pole. Wireless telegraphy has developed into radio telephony, and conversations have taken place between Prime Minister Baldwin in London and Premier King in Ottawa.

"What the next sixty years may bring is, of course, entirely unknown, but it may reasonably be expected that the pioneering spirit, the courage, and the vision that has built the Canada and the paper industry of to-day will build an even greater country and a greater industry for the future."

JOINS BROKERAGE FIRM

A. D. McMillan & Company, stock brokers, Toronto, announce that Capt. M. Claude Aldous has been admitted to partnership in their firm. Capt. Aldous and associates were in the brokerage business in Winnipeg before the war as members of the Winnipeg Stock Exchange, under the firm name of Montague, Aldous & Laing. Shortly after his return from the war Capt. Aldous associated himself with the Toronto office of the Royal Securities Corporation with whom he has been connected for the past five years.

Straws Show Book Paper Mills Are Making Money

STRAWS that show which way the wind blows in the book paper business seem to indicate that current breezes are fresh and favorable to the companies.

Two years ago printers in Canada were crying for business and getting little. Now many of them are over whelmed with work. A Toronto printing house, unable to cope with the demands upon it, went to a firm that does custom press work, and asked to have certain jobs done. It could not handle in its own press room all the printing jobs it had on its books. The firm approached could only be induced with great difficulty to take over the work. It was too busy.

A firm that purchases large volumes of book paper each year switched an account running into six figures annually from one book paper manufacturer to another. He did not receive one word of protest from the manufacturer who lost the account. The latter was too occupied with trying to fill orders.

Makers of the high grade writing, book and bond papers are apparently enjoying substantial prosperity.

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The Royal Bank of Canada

What's Wrong With Shorthand?
Secretaries Say:—
"Hours wasted while he's in conference."
"No one else can read my notes."
"I'm nothing but a bell-hop."
"These endless notes make me dizzy."
"I'm sure he said that, but....."
"Yes, I do mind staying late."
"Cold notes are maddening."
"No time for real secretarial work."
That's enough! I'll show him this trial offer right now.

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What's Wrong With Shorthand?
Executives Say:—
"I'm forced to cut dictation short."
"If she could only take it as fast as I think."
"She can't help me with other things."
"If I could only dictate while it's fresh in my mind."
"Pshaw! she's gone! I'll have to wait till tomorrow."
"I had all this clear in my mind last night."
"It's the 'ring and wait' system."
That's enough! I'll send in the coupon below on general principles.

"I cannot afford to let detail cramp my work—
"Shorthand would have forced me to neglect one or the other; The Dictaphone within arm's reach gives me time for both."

There's clear, sane reasoning behind this view of Frederick M. Moffat's. Read what else he has to say. Then mail the coupon, and let The Dictaphone prove worth to you.

"In my business—where practically all matters require personal service—any method or equipment which reduces the time required for detail work is of great value. The Dictaphone is my outstanding time-saver. In fact, it is easily paying for itself in the saving of stenographers' salaries, not to mention the increased amount of work it enables me to do personally."

The speaker: Frederick M. Moffat, of Moffat, Hudson & Company, trustees and financial agents, which is affiliated with Oscar Hudson & Co., chartered accountants. His occupation: administering estates, managing and selling properties and businesses, and acting as trustee in bankruptcy.

No one could be in a better position than he to speak authoritatively on the personal side of business. It is the bread and meat of his work. Yet what he says applies measurably to almost any business.

"Whereas most office work," continues Mr. Moffat, "calls for use of the eyes, The Dictaphone is an instrument for the ears. For this reason it affords both my secretary and myself grateful relief from the many eye operations of the business day. I appreciate not only the ease of conducting correspondence by means of The Dictaphone, but its convenience in recording the minutes of meetings of creditors and estates, the frequent memos I require in Association secretarial work, and the minutes of Association meetings."

Miss Torfreda E. Willington, Mr. Moffat's secretary, declares: "I find that The Dictaphone has become one of the greatest blessings in my business life. The ease and freedom with which it enables me to get out dictation eliminates that rush at the end of the day. With The Dictaphone, I am entirely free from interruptions, which are the greatest bane in a stenographer's life. I can sit down and get straight to my work without that continual wonder as to when I shall be called away from it."

TORFREDA E. WILLINGTON
Secretary to Mr. Moffat, can be more systematic in accomplishing detail work, because with The Dictaphone there are no interruptions.

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and double your ability to get things done

Public Utilities

COURT DECISION HELPS MACKAY IN RADIO PLANS

Short Wave System Will be Extended With Cables as Supplement

Asserting that the decision in the De Forest patent litigation by the United States Circuit Court of Appeals has placed the Postal Telegraph-Commercial Cable Companies on an equal footing with the Radio Corporation of America in the field of wireless communication, the Mackay interests announce that they would take immediate steps to establish short-wave wireless systems across the Pacific Ocean and throughout the United States.

The new Pacific radio will be completed in about six months. Starting of the land system awaits approval by the Federal Radio Commission.

The U. S. Circuit Court of Appeals announced its decision that Dr. Lee De Forest was the original inventor of the radio feed-back circuit and oscillating audion. This decision and a contract they hold with the Federal Telegraph Company of California are accepted by the Mackay interests as placing them in a position to begin wireless operation without fear of litigation.

Federal Obtained Licenses

Dr. De Forest was employed in a Federal Telegraph Company laboratory when he discovered the possibilities of the audion. The Federal Telegraph Company recently served notice on the Radio Corporation of America group that it would start suit to have ownership of the De Forest patents vested exclusively with it. On August 8, on the understanding that the Federal Telegraph Company would not press this suit, the American Telephone and Telegraph Company, which heads the group, granted to the Federal Telegraph Company full license rights to make, use and sell under all De Forest patents.

When the American Telephone and Telegraph Company concluded this agreement with the Federal Telegraph Company it was not generally known that the Federal company agreed to supply wireless equipment exclusively to the Mackay interests. The Mackay interests now maintain that these two transactions give them more complete rights under the De Forest patents than are enjoyed by other members of the Radio Corporation group.

Dr. De Forest sold in 1914 what was practically an exclusive license to the Western Electric Company, a subsidiary of the American Telephone and Telegraph Company, for "all transferable rights" to radio processes that he then possessed. The A. T. and T. in turn sublet licenses to the Radio Corporation of America, which was formed by the A. T. and T., General Electric Company and the Westinghouse Electric and Manufacturing Company, and to all these companies individually. These subleases provided in each case only for specific rights under the De Forest patents. Mackay officials contend that the license sublet to the Federal Telegraph Company covers all rights.

Failed to Exercise Its Rights

The Federal Telegraph Company did not exercise its rights to patents taken out by Dr. De Forest at the time he was in its employ. These rights, however, received practical recognition by the A. T. & T. when that company recently sublet a license to the Federal Telegraph Company.

The Mackay interests will begin installation of short wave wireless stations across the Pacific Ocean that will at nominal expense double the capacity of the service to the Orient they now provide by cable. This cable connects San Francisco, Honolulu, Midway Islands, Guam, Manila, and Shanghai. Radio stations will be erected at all these points except Shanghai, which will be included later.

Under normal conditions, the new Pacific wireless will provide service to Manila by automatic relay. If static interferes with communication between stations in the chain, messages will be relayed by cable. With the exception of the route between San Francisco and Honolulu, the jumps in the radio chain will be sufficiently short to provide reliable service under most conditions, it is believed. The wireless will be used to carry deferred or cheaper messages and to supplement the cable in times of heavy traffic.

The new Pacific service of the Mackay interests will put them in competition on an equal equipment footing with the Radio Corporation of America, which operates between the United States, Hawaii, the Philippines, and Japan. An agreement whereby the Postal Telegraph Company collects and distributes Atlantic messages for the Radio Corporation expires this year.

Service for Smaller Cities

The Mackay interests propose to use wireless to supplement their land wire systems. These now include mainly the larger cities. The Postal Telegraph Company proposes to use wireless to tap business in less populous districts. This land wireless business would comprise numerous short-wave circuits for which approval of the Federal Radio Commission is sought.

Rates for cable and radio messages across the Pacific are higher than those charged for Atlantic messages. In communication circles it is thought possible that increased competition might lower Pacific rates.

JAMAICA PUBLIC SERVICE ANNUAL STATEMENT GOOD

Gross and Net Earnings Show Considerable Increase Over 1926 Figures

From Our Own Correspondent.

MONTREAL.—An increase of over $36 390 in gross earnings and $27,594 in net earnings for the twelve months period ending August 31, 1927, as compared with 1926 is disclosed in the annual statement of the Jamaica Public Service Company. Gross earnings for the year were in excess of $678,400. Operating expenses and taxes amounted to over $402,750, leaving $275,640 for net earnings. After deducting some $73,700 for interest charges, there remained $201,940 as a balance for reserves, retirements and dividends.

Earns $18.20 on Stock

Deducting dividend payments of 7 per cent. for the company's $750,000 7 per cent. preference shares, and its $185,580 7 per cent. preference "B" shares, would leave $135,510 available for the 7,500 shares of the company's common stock outstanding. This would mean, if nothing were deducted for the retirement reserve account, earnings of $18.20 on the common stock.

The company during the past four years, however, has set aside 15.14 per cent. of its gross earnings for the retirement reserve.

There is nothing on the statement to indicate whether any dividend will be paid on the common shares this year, but nothing has been paid on the common stock since 1923.

A comparison of the current year's figures with those of 1926 follows:

	Aug. 31 1927	Aug. 31, 1926
Gross Earnings	$678,400.85	$642,009.52
Oper. Exp. and Taxes	402,754.39	393,957.60
Net Earnings	$275,646.46	$248,051.92
Interest Charges	73,705.50	75,222.21
xBalance	$201,940.96	$172,829.71

The above figures converted from £ Sterling at the rate of $4.86 2/3 to the £1.

xFor Reserves, Retirements and Dividends.

TUNE IN DUKE-PRICE TRANSMISSION LINE

Shawinigan Power is Connected With Ile Maligne Plant

From Our Own Correspondent.

MONTREAL.—The power transmission line connecting the hydro power station of the Duke-Price Co., at Ile Maligne, on the Saguenay River, with the reception station of the Shawinigan Water & Power Co., at the City of Quebec, was officially inaugurated this week.

The opening of the line marks an important phase in the development of Quebec City and contiguous industrial territory. The line itself is 136 miles long, the longest transmission line in Canada. It is capable of delivereing 100,000 horsepower at 165,000 volts. It was built at a cost of over $5,000,000.

The power line runs in an almost straight line from Ile Maligne to Limoilu, a suburb of Quebec. For 95 miles of its length it runs through a Dominion national park in what is practically virgin forest.

The power is carried on two circuits, the lines being strung on steel towers 85 feet high. Construction began in June, 1926, and was completed early in August of the present year.

By means of this line it is now possible to tie-up the entire Quebec system of the Shawinigan Water & Power Co., so that current developed on the Saguenay can, if necessary, be brought not only into the city of Quebec, but to any part of the territory now served by Shawinigan, even to Montreal itself.

The line was primarily designed to serve the pulp and paper mills operating in and around Quebec City, however, and large blocks of power have already been contracted for. It is said that the Ste. Anne Paper Co.'s newsprint mill at Ste. Anne de Beaupre is to receive 20,000 horsepower, the Anglo-Canadian Pulp & Paper Mills, at Limoilu, Que., is to receive 25,000 horsepower and an additional block of 45,000 horsepower when the mill is put in complete operation. The first allotment of the power will be required when the mill begins operations some time in November. The Murray Bay Paper Co. is to take 12,000 horsepower.

A portion of the recent $35,000,000 bond issue brought out by the Shawinigan Water & Power Co. will probably be devoted to paying the cost of the recently constructed transmission line.

PRIVATE GROUPS ACQUIRE ALBERTA HYDRO UTILITIES

Lethbridge Situation Interesting Now Because of Change

From Our Own Correspondent.

LETHBRIDGE. Alta.—Citizens are speculating as to what effect the impending change to the city manager plan of government will have on the much-mooted power question. The council has framed an agreement with the Calgary Power Company for the interchange of power and this contract is now before the public utilities commission at Edmonton. The offer of the International Utilities Corporation of New York for the purchase of the power plant and tram system for a million dollars was virtually rejected by the council, but some are saying now that it will be revived. C. J. Yorath, president of the utilities corporation, has made no new statement, but the fact that his company has bought the Raymond Electric Company, Raymond, Alta., for $30,000 indicates that they have entered the power business in Southern Alberta as a competitor of the Calgary Power Company.

Calgary Power Expands

In the meantime, the Calgary Power Company is extending its transmission lines in all directions and most of the towns and villages have accepted contracts for service and even farmers along the route will be given service. The advent of hydro-electric in rural Alberta is being welcomed by the farmers who see in it a chance to obtain dependable power at a reasonable rate and an opportunity to give their families the comforts enjoyed by city residents.

Lines are being extended southward to Lethbridge, the company wanting the Lethbridge power plant as a steam stand-by to supplement the supply of juice from their hydro plant in the mountains, west of Calgary. In addition to stores and residences, industrial plants are installing hydro, 40 per cent. of the grain elevators south of Calgary are now using this power.

BELL TELEPHONE CO. SUBSCRIBERS GAIN

Windsor's Phones Increase 146.50 Per Cent. in Five Years

From Our Own Correspondent.

MONTREAL.—The remarkable growth of the patrons of the Bell Telephone Co. of Canada is set out in an attractive folder which accompanies the regular quarterly dividend of $2 per share, payable on October 15, to shareholders of record at the close of business on September 23. The record of development by the company during the past five years in the seven largest cities which it serves is given in a table which shows Windsor to lead the list by an increase of 146.50 per cent. Montreal is second, with 75.22 per cent.; Toronto third, with 55.69 per cent.; Quebec, London, Hamilton and Ottawa follow in order. The increase for Quebec is given as 54.20, London 53.61, Hamilton 53.11 and Ottawa 30.93 per cent.

The total number of Bell telephones in service in the above seven cities on September 1, 1922, was 271,293. On September 1, 1927, the number had increased by 62 per cent., being 439,907. The company shows almost as rapid expansion in the less populated areas which it serves. Outside of the seven cities named, there were in service as on September 1, 1922, 149,725 telephones. Five years later, this number had increased to 208,565—a gain of 40 per cent.

Soon Start Construction of Shushwap Project

From Our Own Correspondent.

VANCOUVER.—Development work on the hydro-electric power project at Shushwap Falls in the Okanagan country will be undertaken this fall, according to announcement of the National Bond and Discount Corporation at Portland, which firm recently obtained the right, by passage of a by-law, to purchase the Vernon power plant and carry out development at the falls. The company will operate under the name of West Canadian Hydro-Electric Corporation. A large dam is included in the development programme, which is expected to develop 2,000 horsepower. Construction will begin as soon as negotiations with the Canadian National Railways for land are completed.

Chas. Walmsley Co. is in Canadian Hands

From Our Own Correspondent.

MONTREAL. — Control of Charles Walmsley & Co., (Canada) Ltd., is reported to have passed to Canadian interests. Purchase of control of the company from the Sir W. B. Armstrong, Whitworth & Co., Ltd., of Newcastle-on-Tyne, has been made for Canadian interests through the intermediary of one of Montreal's leading investment banking houses. The plant of the Walmsley Co., which is one of the largest manufacturers of paper-making and pulp-grinding machinery in Canada is situated at Longueuil, Quebec, on the south shore of the St. Lawrence River, opposite Montreal. The Canadian company has been manufacturing Walmsley machines in Canada under a long-term agreement as to patent rights made with Charles Walmsley & Co., Ltd., of Drury, England. It is one of the largest manufacturers of paper-making and pulp-grinding machinery in Canada and has filled contracts for practically all the leading paper mills in the Dominion. With the company in complete Canadian control, an even more aggressive business policy is to be anticipated, and a continued development of the company's business will doubtless follow.

Newsprints Begin Again to Look Attractive for Long Term Investments

Companies Make Money When Operating at 70 Per Cent. of Capacity—Swing is Towards Control of Industry by Three Groups

Newsprint stocks are looking for the moderately long hold, in the opinion of a number of Montreal investment bankers who are close to the companies.

Newsprint companies can show profits when operating at 70 per cent. of their rated capacity so long as newsprint commands a price of $135 the ton. A selling organization recently formed is likely to be successful in maintaining good prices. In August the mills worked to better than 80 per cent. of capacity.

There is a pronounced swing toward centralization of manufacture and development in three groups. One group is headed by Abitibi and Spanish River, another is St. Maurice Valley and the third is International Paper. With these three dominating the industry, over production is likely to be controlled in the interests of all.

Newsprint stocks are likely to sell higher, in the opinion of many market observers. The manufacture of newsprint is one of the great basic industries of Canada. There is competition from other countries, but it is not serious competition. Russia alone has forest resources comparable to those of Canada. No one is likely to invest in Russia under present conditions. In any event, the great newsprint market is the United States and Canada is in the best position to serve that market. The question of transportation and power for generations are likely to hamper newsprint development in Russia even if political conditions admitted of industrial expansion.

Abitibi and Spanish

Abitibi still has its friends in the stock market despite the rather rapid rise in price in the last several weeks. It is declared that Abitibi, as one of the leading newsprint stocks, must remain an attractive investment of a semi-speculative character.

Spanish River—which often is mentioned as the party of the second part in any merger concerning Abitibi— is also considered an attractive newsprint stock for the reason that its power costs are comparatively low and its timber resources greater than the timber resources of any other company, except perhaps International, since the recent purchases by that company.

Canada Health Foods Plans Big Sanitarium

Canada Health Foods, Corp., Ltd., a new company, has bought the Toronto Milling Co. plant at Streetsville and will establish a sanitarium which will accommodate 1,000 guests weekly. The new company apparently is to be financed privately. Of a capitalization of $2,500,000, a total of $900,000 already has been paid up.

The company will also establish a new biological and biochemical laboratory in Streetsville in conjunction with their mill, under the supervision of Dr. Eugene Christian and his staff, including Dr. S. W. Lawton, of the Vanderbilt Clinic, and G. H. Earp-Thomas, D.D.S., M.D., of the Earp Laboratory, Bloomfield, N.J.

The general administration offices of the company will be at Streetsville, and branch sales offices are now being opened in Toronto, Winnipeg, Vancouver, New York, Buffalo, Chicago, Denver, Los Angeles and Seattle. The company's plant at Streetsville will be in production during the week of October 10, and in a position to supply the increasing demand in the domestic market immediately.

The demand for Canada Health from Great Britain and Australia has warranted the establishing of an export division under the direction of H. H. Stanley, formerly of the Washburn-Crosby Milling Company.

The officers and directors of the company include: Dr. Eugene Christian, F. S. D., Author of "The Encyclopedia of Diet," chairman of the board; Major-Gen. Sir John M. Gibson, K.C.M.G., K.C., LL.D.; W. B. Reid, Toronto; H. W. Ashley, Ph. D.; E. J. Clarke, president of Blake, Clarke Co., New York; H. H. Stanley, London, England; J. W. Dunsmore, managing director of Toronto Testing Laboratory.

Dividends Declared

	Rate	Date	Record
Hiram Walkers	50c.	Dec. 15	Nov. 30
Inter Paper, com.	60c.	Nov. 15	Nov. 1
So. Can. Power, com.	$1	Nov. 15	—
Standard Bank	3%	Nov. 1	Oct. 15
Imperial Bank	3%	Nov. 1	Oct. 15
Maple Leaf Mill, pfd.	1¾%	Oct. 18	Oct. 3
Abitibi Power, com.	$1.25	Oct. 20	Oct. 10
Penmans, com.	$1	Nov. 15	Nov. 5
Do., pfd.	1½%	Nov. 1	Oct. 21
Christie, Brown, com.	30c.	Nov. 1	Oct. 15
Do., pref.	1¾%	Nov. 1	Oct. 20
Steel of Can., com.	1¾%	Nov. 1	Oct. 7
Do., pref.	1¾%	Nov. 1	Oct. 7
Supertest Pet., pfd. "A"	3½%	Oct. 31	Oct. 15
Do., pfd. "B"	3%	Oct. 31	Oct. 15
Do., com.	25c.+50c.	Oct. 31	Oct. 15
Russell Motor, pfd.	1¾%	Nov. 1	Oct. 14
Mexican L. & Pr. cum. pfd.	3½%	Nov. 21	Oct. 31
Do., 2nd pfd.	2%	Nov. 21	Oct. 31
Ont. Steel, com.	1½%	Nov. 15	Oct. 31
Do., pfd.	1¾%	Nov. 15	Oct. 31
Inter. Nickel, pfd.	1½%	Nov. 1	Oct. 13

Bond Redemptions

	Rate	Due	Redeem.
Shawinigan "A"	5½%	1950	Dec. 1
Do., "B"	6%	1950	Jan. 1
Do., "C"	6%	1950	Jan. 1
Do., "D"	5½%	1954	Apr. 1
Do., "E"	5%	1955	Apr. 1
Do., Cons. Mtge.	5%	1934	Jan. 1

Announce New Paper Shade

MONTREAL.—The Howard Smith Paper Mills announce the addition of a new shade to their famous Krypton line of letterhead paper. The new blue white shade is designed to meet the desire of business houses who prefer a clear white color for their fine business stationery. The new paper is obtainable in either parchment or linen.

The purchase by Hunter Bros. of Olds, Alta., of the Reed Ranch Farms in the Olds district for $375,000 was concluded the other day.

SOUTHERN CANADA POWER ATTRACTS MUCH ATTENTION

Reported Other Interests Seeking Control But Prospect of Sale Denied

From Our Own Correspondent.

MONTREAL.—One of the outstanding features of a comparatively quiet market this week was the spectacular advance of Southern Canada Power stock. This stock made a total advance of 30 points, and reached a new high, selling up to 140. It is reported that several different interests seek control of the company. It is known that offers have been made, but it has been stated that none of these offers have been considered by the board of directors. One report has it that International Paper is innterested in securing control. Such a deal, it is said, would be of immense advantage to this company, as by tieing up its Gatineau power developments with that of the present power lines of the Southern Canada Power, a new territory would be opened for the disposal of a large portion of the power to be generated on the Gatineau.

There is some talk of an exchange of shares and of power by the Southern Canada Power Co., the Montreal Light, Heat and Power Consolidated and the Shawinigan Water & Power Company.

Whatever is behind the movement is shrouded in mystery, however, and the reason for it all is yet to be disclosed.

The prospects of Southern Canada Power paying a dividend of $4 per share in the coming year in view of its recent paying of $1 per share over and above the usual dividend of $2 per share on the common stock, has, of course, attracted attention to the company and its possible future earnings.

St. Maurice Valley Corp. Shareholders Approve

From Our Own Correspondent

MONTREAL.—The conversion of 12,000 shares of preferred stock of $100 par value, into 240,000 shares of $5 par value, was authorized by the shareholders of the St. Maurice Valley Corporation at a special meeting held in Montreal this week. In addition to ratifying the special by-law affecting the company's shares, a second by-law increasing the number of the directorate of the company from nine to twelve was also ratified.

The meeting also authorized the sale of $2,000,000 of bonds and $2,000,000 of preferred stock. A portion of the preferred stock, $1,700,000, will be issued in sterling in shares of £1 par value each.

Arthur Cross, who has been identified with the company in an executive position for some time, was elected to the board of directors.

General Motors Build Homes

Since the first of the year there has been a heavy building program progressing in the young city of Oshawa. Up to September 30, 513 new dwellings have been built, and yet it is evident that this is not enough to satisfy the demand, and General Motors Corporation have recently decided to build 50 homes, which will be available for their staff and employees.

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Union Pacific Railroad Company

PUBLIC UTILITIES
American Telephone & Telegraph
Consolidated Gas Co. of New York
Hudson & Manhattan Railroad
American Railway Express Co.
North American Company
Pacific Gas & Electric Company
Standard Gas & Electric Company
Public Service of New Jersey
Western Union Telegraph Co.
Louisville Gas & Electric Co.

FOODS
Swift & Company
Standard Milling Company
California Packing Corporation
United Fruit Company
Corn Products Refining Company

OILS
Standard Oil of New Jersey
Pan-American Petroleum & Transport
Sinclair Consolidated Oil—pref.
Phillips Petroleum Company
The Texas Corporation
Marland Oil Company
Royal Dutch Company
Pure Oil Company

AMUSEMENTS
Paramount Famous Lasky Corporation

STEELS
United States Steel Corporation
Bethlehem Steel—Preferred
Sloss-Sheffield Steel & Iron
American Steel Foundries

AUTOMOBILES
General Motors Corporation
Packard Motor Car Company
Dodge Bros.—Preferred
Studebaker Corporation

ACCESSORIES AND RUBBERS
United States Rubber—Preferred
The B. F. Goodrich Co.
Stewart-Warner Speedometer
Timken Roller Bearing

TOBACCOS
American Tobacco Company
General Cigar Company
American Snuff Company

METALS AND COALS
American Smelting & Refining
Cerro de Pasco Copper
Chile Copper Company
Kennecott Copper Corporation
Calumet & Arizona Mining Co.
Island Creek Coal Company

CHAIN STORES
Childs Company
Schulte Retail Stores

TEXTILES
Cluett, Peabody & Co.
Belding, Heminway Company
Manhattan Shirt Company

SUGARS
Cuban-American Sugar Company
Great Western Sugar Company (new)

PRINTING AND PAPER
International Paper—Preferred.
American Type Founders Company

CHEMICALS AND EXPLOSIVES
E. I. du Pont de Nemours & Company
Allied Chemical & Dye Corporation
Household Products, Incorporated
Atlas Powder Company
Union Carbide & Carbon
Texas Gulf Sulphur Company

BUILDING MATERIALS
Long-Bell Lumber Corp.—Class A
Certain-teed Products Corporation

MACHINERY AND EQUIPMENT
International Harvester Company
Allis-Chalmers Manufacturing Co.
American Locomotive Company
United Shoe Machinery Corporation
Westinghouse Electric & Mfg. Co.

TYPEWRITERS AND CAMERAS
Underwood Typewriter Company
Eastman Kodak Company
National Cash Register—Class A.

ADVERTISING
General Outdoor Advertising—Class A.

SHOES
Endicott-Johnson Corporation

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STEEL OF CANADA MELON UNLIKELY AT PRESENT TIME

Company Spends Heavily in Making Plants Most Efficient

INVESTMENT IS GOOD

Aside From Spurt and Recession, Rise in Value of Stock Probably Will be Fairly Constant

The common stock of Steel Company of Canada has been selling below 170 in the last few days, in sharp contrast to the 220 high reached two or three weeks ago when a split in the shares was rumored to be imminent. A carefully worded statement from the directors, following a meeting in Hamilton, dispelled any hope of early action which would justify the rapid rise in the price of the stock.

Steel Company of Canada is one of the premier industrial investments of the country. Aside from the momentary spurt which took the stock above 200, it may be expected that the rise in the value will be steady and justified by a conservative financial policy, a capable management and a general prosperity in the Dominion.

Spend Much on Plant

The cash position of the company is such that the shareholders have reason to hope for added distributions of profits. But it is apparent that nothing is coming in the immediate future, for the reason that some millions of dollars are being spent, or will be spent, in plant renewals and expansion.

Steel manufacturing has witnessed some remarkable changes in the last several years and Steel Company of Canada, in order to compete with smaller domestic concerns and with imported steel—most of which is imported free of duty or under extremely low rates—has been forced to take steps to make all its plants the last word in efficiency.

Preferred Participates

This expenditure probably precludes the possibility of an early increase in the dividend, but the shareholders can console themselves with the thought that dollars spent wisely on plant and equipment eventually will make possible an even greater distribution of profits than would otherwise be feasible.

Steel of Canada preferred is participating with the common after the common receives 7 per cent. The common now is receiving 7 per cent. on the par value of $100. Thus an increase in the dividend would mean a distribution on the entire capital stock.

LAND COMPANIES' SALES ARE HIGHER

Two Companies Acquired by Consolidation to be Wound up

The annual report of the Consolidated Toronto Land Corp. for the year ended December 31 last, shows total assets of $3,440,561, consisting as follows: 11,116 preferred shares of the par value of $1,889,720 and 11,104 common shares of the par value of $1,110,400 in the Toronto Land Corp.; 2,075 preferred shares of the par value of $232,000 and 2,075 common shares of the par value of $103,750 in the Humbervale Lands, Ltd., and organization expense totaling $4,691.

Liabilities consist merely of the organization expense and $1,889,720 first preferred, $332,000 second preferred shares and $1,214,150 in common stock.

Consolidated Toronto Land Corp. owns all but 25 preferred and 37 common shares in the Toronto Land Corp., all the stock in the Excelsior Land Co. and a two-fifths interest in the Humber River Real Estate Co. It is proposed to apply to the court for an order winding up the Toronto Land Corp. and the Excelsior Land Co. Subject to the court's order for provision of the outstanding shares of the Toronto Land Corp., the owners of which cannot be found, the assets will be vested in the Consolidated Toronto Land Corp.

Companies Show Profit

Toronto Land Corp. in the year had profit of $5,497 on land sold totaling $128,089 in market price after payment of insurance, taxes, interest, advertising, etc. Humber River Real Estate Co. had a profit of $16,097 on land sold for $81,550 after payment of taxes, insurance, advertising, interest and other expenses. Humbervale Lands, Ltd., had a profit of $2,087 on land sales totaling $6,000.

Toronto Land Corp. land sales in 1926 increased, compared with 1925, the two figures being $128,089 and $65,883. Humber River Real Estate sales increased from $12,500 to $81,550.

The directors of the Consolidated are R. Home Smith, president; H. Malcolm Hubbard, S. A. P. Kitcat, R. H. Collis, R. J. Dilworth, Charles W. Wilson and William Foley.

Harris Consolidated Propose Sink Shaft to 1,500-ft. Level

The Harris Consolidated Mines are resuming operations on the Beaumont group of 400 acres in Tisdale Township.

On this property the shaft is already down 320 feet. It is proposed to continue to 1,000 feet, or it may be 1,500 feet, with stations and cross-cutting every 150 feet. The present plant will be supplemented by a 275 h.p. motor, 2,000 feet of wire cable and 6 underground air drills. Connection will at once be made with the hydro electric power system.

The company owns altogether 80 mining claims in various groups in Tisdale, Deloro and Whitney Townships. Shaft sinking and diamond drilling have given excellent results on the Beaumont. Oscar Knutson will have charge of the work, and it is expected that the services of a well-known geologist will soon be secured.

Dominion Bridge Climbs to New High

From Our Own Correspondent.

MONTREAL. — Anticipation of the coming split in the shares of the Dominion Bridge Company on a five for one basis has sent the stock of that company climbing to new high levels. It is thought by some that Bridge will go to 300. They base their opinion on the new issue of stock of the company's subsidiary, Dominion Engineering, which, following a split of five for one was placed on the curb this week and sold at from 50 to 50½. Dominion Engineering old stock was selling at 250.

Dominion Bridge shareholders are to meet next Tuesday to pass upon the plan of administration for the splitting of the stock. There are 65,000 shares of common stock of the Dominion Bridge Co. outstanding.

ALBERTA FARMERS ASKED FOR TARIFF —AND GOT IT TOO

Decay of Free Trade Sentiment Seen in Demands

OTTAWA.—Those who have all along predicted that with the spread of mixed farming in the West Cobdenism would die out on the plains and protectionist sentiment take its place, are having their prophecies fulfilled sooner than expected. For it came out the other day that following representations from egg producers of the three Prairie Provinces, and of poultry producers from Alberta (none other, indeed, than the Alberta Poultry Pool) the government has invoked anti-dumping duties on poultry and eggs.

The facts of the story are both amusing and illuminating. For they show that while Western representatives in parliament were talking low tariff, and denouncing the iniquities of protection, their constituents back home, or many of them, were imploring the government for anti-dumping duties on eggs. They were asking for the very thing which, only a few years ago, they denounced as robbery, when it was asked for by the fruit growers of B. C.

Duty up to Ten Cents

The government paid more attention to the farmers back home than to the farmers on parliament. At the beginning of February, or thereabouts, it passed an order in council applying the anti-dumping duty on eggs, by fixing their value for duty purposes as follows: 45 cents per dozen when imported direct; 48 cents per dozen when imported from intermediate distributing points. The net result of this was that the duty on eggs was increased from 3 to 10 cents a dozen.

And the government went further. On March 21, 1927, another anti-dumping order issued fixing values on frozen eggs as follows: 23½ cents per pound when imported direct: 25 cents per pound when imported from intermediate distributing points. The result was to triple the duty on frozen eggs.

Hit China and U. S. A.

They were effective measures. So effective, that while in April, May and June of 1926, Canada imported 189.000 dozen of eggs, the imports for the same three months this year were only 22,000 dozen. The countries hit at were China and the United States.

Heartened by the success of the egg producers, the Alberta poultry producers came to Ottawa, too. Mr. Robb must have smiled when those once militant free traders from the land of the U. F. A. came to him for protection: but he gave them what they asked. It is easier to get protection from this government than free trade, the Liberal platform of 1919 to the contrary notwithstanding. So on August 2, 1927, the anti-dumping duty was placed on dressed poultry from the United States (about the only country from which it could come) the following values being fixed for duty purposes: Turkeys, 40 cents per pound: chickens 35 cents per pound; fowl, 28 cents per pound: geese, 20 cents per pound: ducks, 32 cents per pound. These values, according to the government's own statistics, are about 25 per cent. higher than the average wholesale price: so that when the ordinary 20 per cent. duty is applied to the additional value, plus the 15 per cent. duty that also goes on with the anti-dumping clause the protection afforded is quite effective.

Alberta Changes Rapidly

Curiously enough, the movement from free trade to protection proceeds more rapidly in Alberta than in any other western province. Thus it was the U. F. A. which was most articulate in endeavoring to get a low rate on Alberta coal to Ontario: while some of the Agrarians so far forgot their Cobdenism one day as to flirt with the idea of a duty on coal. The theories of Henry Wise Wood could not circumvent hard economic facts. And those facts, in the opinion of competent observers, will become more compelling as time goes on.

Dunlop Makes Find

A discovery of importance is reported on the Dunlop Consolidated properties in this district. Details of the discovery are being withheld, but a copper deposit of outstanding promise has been disclosed, and an official announcement may be expected.

Finances for aggressive exploration have been provided. Major Dunlop is personally in charge of operations.

MALAGASH SALT RAISES $500,000

By Staff Editor.

HALIFAX.—The Malagash Salt Company is to expand. Further financing has been secured by the sale of a $500,000 bond issue, which shortly will be offered publicly in the Maritimes by an investment house syndicate.

The progress made by this company has been watched closely for a number of years by financial interests interested in the constructive development of Nova Scotia.

Salt mining methods employed at the Malagash property are unique in this country for the salt lies in veins which are mined by the same methods in mining coal and other minerals. The company's plant is located on sea board, with its own deep water wharves. Thus low cost transportation is assured. The financing already arranged will allow for expansion at the property both below ground and on the surface. A new railway line to the plant was completed recently and is now in operation.

MACAULAY TELLS SUN SHAREHOLDERS TO STICK BY SHIP

(Continued from page 1)

lose and much to gain by waiting a year or two; why not wait?

"What is the present value of our stock, and what are its future prospects? The company's shares have a subscribed value of $100, on which $75 has been paid. On this amount dividends of $18.75 per annum are at present being paid. Notice has been given that stockholders may pay the balance of their subscription on January 2 next, so that the shares will then be fully paid. The dividends will be $25 per share then per annum.

"Our broker friends point to the company's large undivided surplus, most of that surplus corresponds to the rest of a bank, and is therefore not available for distribution.

Not Property of Stockholders

"It would appear, however, from letters recently received that some American correspondents have the impression that this surplus belongs to the stockholders. This is not so. About 86 per cent. of the amount belongs to the participating branch, and under the Canadian Insurance act the stockholders can draw nothing from that branch except a share (not exceeding ten per cent.) of the profits actually distributed from it year by year.

"Our stockholders many years ago voluntarily reduced this share to five per cent. The other 95 per cent. belongs exclusively to the policy holders. For practical purposes, the participating branch is a mutual company, in which the stockholders have no interest beyond a commission of five per cent. of such profits as may be distributed from year to year. Our position is entirely different from that of a company like the Travelers of Hartford, which issues no participating policies.

"The non-participating branch, which is the only part of the business which the stockholders own without restrictions, forms a gradually diminishing proportion of the total. Every increase in our scale of profit payments to our policy holders, makes non-participating assurances less attractive.

"Purchasers are told that the Sun Life is growing rapidly, and that its profit earnings are also large. I admit both statements with enthusiasm, but, growth brings other problems. For example, it is hardly fitting that a company with $400,000,000 of assets should have a capital of but two million. At the last session of Parliament we introduced a bill authorizing an increase of capital and in consideration thereof reducing the stockholders' interest in the participating branch from 5 per cent. to 4 per cent., in five years to 3 and 3½ per cent., and in ten years to 3 per cent. The bill failed to pass. To assume for the future any higher percentages than those mentioned in the bill would be unwise.

Dislikes Sale to Americans

"The 5 per cent. share of the profits of the participating branch will amount this year (1927) to approximately $452,000. Had the rate been reduced to 4 per cent. the amount would have been diminished in proportion. The regular dividends payable on the stock next year will be $500,000. There is one aspect of this movement which is disturbing. The great majority of the sales are going through transfer to ownership to Americans who have no other interest in or connection with the company. The matter is rapidly becoming one of national importance, for Canadians are not likely to view with composure the possibility of this great Canadian company being transferred to American ownership with its control resting not improbably with some group of New York financiers.

"The stock of the Sun Life has few equals as a permanent investment. It has a splendid future, but only harm can come from over-estimating its prospects. We do not wish any person to purchase as the result of misunderstanding.

No Friends Like Old Friends

"After all, there are no friends like the old friends. We do not wish to lose a single one of our old stockholders. Most of them have been part of the company for many long years. We hope they will not now be tempted to dissolve the partnership. We have together seen the company grow from small beginnings to its present outstanding position, and the end is not yet. In fact, we are still at the beginning of a company whose life will stretch into the centuries. The stock is worth as much to our present stockholders as it is to the new purchasers, and if they will just continue with us they will not regret it, even financially in years to come, and they will also have the satisfaction of being loyal to the company and loyal to the management at a time when the company needs its friends. And is no consideration due to those whose administration has brought this success, which in turn has made these prices and prospective profits possible? It is not in the public interest that the stock of a great beneficent corporation should become the plaything of speculators, who only look on the institution as something to get all they can out of. I earnestly hope that in the interest of both policy holders and the public, parliament will pass a measure to curtail such speculation in the stock of any life company."

Loss of Case Affects Canadian Celanese

From Our Own Correspondent.

MONTREAL.—Reports from London, stating the British Celanese Company had lost its action against the Tubise Company, reacted on its subsidiary, Canadian Celanese, Ltd. The British company was suing for alleged infringement of patent rights involving the manufacture of celanese, a high grade of artificial silk. On receipt of the news in Montreal, Canadian Celanese stock, which was selling around 80, dropped to 75 and 70. The American company was also affected, falling off 11 points on the New York market.

NATION'S BUSINESS

(Continued from page 1)

achievement; that where it has discarded the shibboleth it has not merely substituted the catchword. There is good reason to believe that it has not done so; it has gone on record as favoring a number of things that indicate a desire to please individual sections of the country at the expense of others but such is the way of political platforms, which fortunately, are never wholly carried out by their sponsors when the serious responsibilities of government fall upon their shoulders. But they have also seen fit to shift from the tariff, towards which Canadians are politically sick, tired, bored and unresponsive. This is in itself a forward move for the country as a whole. Let the tariff lie dormant as a political issue for a few years and the tariff will look after itself.

The results of the convention give the Conservative party an opportunity for expansive effort and as a paper that stands for no party, The Financial Post is glad to see another of the great parties of Canada coming back.

Large quantities of Douglas fir from British Columbia will be used in the construction of new shipping docks at Tilbury on the River Thames, near London.

Canadians Are Large Holders of Own Bonds

The recent announcement of the Minister of Finance in regard to the Government's attitude in refunding loans maturing this fall, calls attention to the fact that a large percentage of the credit requirements of the country in the past few years have been supplied by Canadians themselves. As at August 31st last, the Government statement shows that of the total funded debt, $1,943,196,347 is payable in Canada; in other words, this sum may be said to represent the holdings of Canadians.

In addition, the provinces have been extensive borrowers from the public, as will be seen from the following estimate prepared by The Financial Post:

Own Bonds	
Alberta	$64,235,763
B. C.	28,646,500
New Brunswick	29,580,587
Nova Scotia	16,879,000
Prince Edward Island	1,873,000
Ontario	218,200,000
Quebec	31,840,100
Saskatchewan	41,063,740
Total	$432,326,690

Since the beginning of 1927, up to and including September 10, $67,335,500 worth of government bonds have been sold, of which $9,125,500 were sold in Canada.

Haying now being finished in New Brunswick, is furnishing the heaviest crop for many years. Pastures have been excellent during the whole season.

Metropolitan Corporation of Canada
Limited

First Mortgage 6% Bonds
Due 1947

Price:
99 and interest to yield over 6%

Full particulars on request

These bonds are secured by a first mortgage on ten store properties situated in the best retail districts of Eastern Canadian cities. These properties are rented for terms longer than the life of the bond issue to the Metropolitan Chain Stores Incorporated and its Canadian operating subsidiary, Metropolitan Stores, Limited, at an annual rental, after taxes and maintainance, of $240,000 or more than three times maximum bond interest. The properties mortgaged have an appraised valuation of over 60% in excess of the bond issue.

Consolidated gross revenue of the lessors for 1926 was more than 11 times the rental of $240,000 mentioned above.

The bonds possess the essentials of security of both principal and interest, and bear our recommendation as a sound investment.

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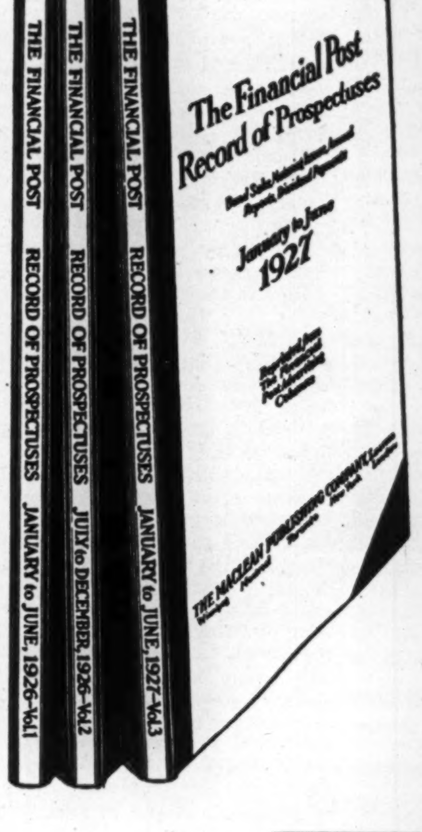
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TORONTO, OCTOBER 14, 1927

CENTRAL EUROPEANS

IN TIME there is certain to be a reaction from that present public hysteria which sees the basis of Canadian nationhood being undermined by the entry of 50,000 Central Europeans each year. Canada can absorb yearly and make good citizens out of a much larger amount of European raw material than we are getting even now.

The Montreal Gazette believes the pivotal point in the discussion to be as to whether the Central European element is so large as to influence the whole immigration movement. The Gazette does not feel that immigration from the northern and western countries of Europe is a factor in the situation, since it is admitted that the nationals of these countries, particularly of Scandinavia, make first-rate settlers, are industrious, thrifty, home-loving and orderly. The objection, then, is based upon the assumption that the existing Canadian stock is not sufficiently sound to stand the dilution which an annual stream of say, fifty thousand Central Europeans seems to threaten.

The Gazette's viewpoint agrees with that previously expressed in these columns, namely; that the assumption that Canada cannot absorb a certain number of Central Europeans each year is unwarranted.

Says the Gazette:

"That assumption does not appear to be warranted. Canada will still be deriving an at least equal volume of immigration from the British Isles; it will be drawing also upon other ethnical groups which, though non-British, are admittedly desirable—the Scandinavians, for example, and the Americans. That Americans make satisfactory Canadian settlers and citizens, most people are agreed. They have much the same social and governmental standards as Canadians have, and they find the privileges and responsibilities of citizenship in Canada similar to those obtaining in the country from which they come. The fact that they do so readily adapt themselves to Canadian citizenship may afford an answer to the question which some anxious students of the immigration question are asking. Not all these settlers from the south are of British stock; they are products of the process of immigration and assimilation which has been going on in the United States for two generations, and there is no valid reason why the success of the American immigration policy cannot be duplicated in this country. The United States wanted population, and obtained it; and not until its economic requirements had been met did it impose the restrictions now in force. The melting pot did its work, and the United States has to-day a vast population united in the observance of substantially the same standards which Canadians seek to uphold. Perhaps a little stronger and more definite emphasis of Canadian national and constitutional ideals by Canadians themselves, and especially by their elected representatives, would help matters a little; it would afford an object lesson to those newcomers, who have lived under different social and political conditions and whose capacity for citizenship has been questioned. The Dominion must have more people, and it is for the Dominion itself to control and develop the material which is brought into the country."

No; the remedy is not to keep healthy, desirable Central Europeans out nor even to reduce the present total number entering, but rather to increase the immigration from British, Scandinavian, Dutch and American sources.

STAND BEHIND MAGRATH

ONTARIO'S provincially owned hydro-electric power system has come in for more criticism since Hon. C. A. Magrath became chairman of the commission than in the days of Sir Adam Beck. Probably Mr. Magrath anticipated this. The easy task of using the unlimited credit of the people of the province to spend millions on development work fell to Sir Adam Beck. His chief job was to keep the people all pepped up, enthusiastic and ready to approve of anything he wanted. Being a demagogue by nature he accomplished his task. Mr. Magrath has by far a much more difficult job; that of bringing efficiency into the structure so rapidly created; of building up reserves while still trying to keep rates down to reasonable levels. His is the task of facing the mistakes of the past; of making Sir Adam's machine work. The public, though, expects more; it expects him to fulfill all the wild promises of Sir Adam Beck regarding cheap power and universal service. These promises can not all be fulfilled. It is economically impossible.

And so we find Mr. Magrath under fire. The Welland Board of Trade, for instance, passed this resolution the other night:

"That the Welland board of trade is of the opinion that the Ontario Provincial Hydro commission is not being managed on a suitable business basis having regard to the rate charged for electrical energy as against those charged by semi-private enterprises in other provinces, notably that of Quebec.

"That the personnel of the Provincial Hydro commission is unnecessarily extravagant in the light of the effective local commissioners who could be elected to administer their areas.

"That the price for electric energy in this province is an effective barrier against the industrial expansion to which Ontario is geographically and geologically entitled.

"That the Welland board of trade invites the independent boards of the Associated Boards of Trade of Ontario to join them in this resolution with a view to electing a small committee to represent the Ontario boards of trade and the people of Ontario to meet the Ontario Provincial Hydro commission under the auspices of the Ontario government to fully investigate the administration of the Ontario Provincial Hydro commission and to report their findings and recommendations to the people."

Sydney T. Wiles, a member of the committee that drafted the resolution, declared that, in his opinion, the hydro was a burden on industry in Ontario, especially in the Welland district where the power rates were now $23 per horsepower as against $12 and $13 a horsepower when private interests held sway. He contrasted these conditions with those in Quebec where power was still being offered in many places by semi-private concerns for $12 per horsepower.

The cost of power, Mr. Miles believed, would, in a few years be the determining factor in the location of new industries in Canada and with Quebec offering power much cheaper than Ontario, the latter province would be left in the lurch as far as new industries were concerned.

Ontario is to-day paying the price of its follies o fthe past. It cannot expect to write off the many millions of excess expenditure on power plants built at the peak of construction costs, built hurriedly under the stimulus of inflamed public enthusiasm, and have its power at the price it could get it if the investment were less than it is by the amount of those excess millions.

But is this a time for sweepingly criticizing Mr. Magrath? Is it not a time to stand behind him in his task of building cohesion and solidity into the Hydro system? Given intelligent support, Mr. Magrath has the abilities to correct, in the Hydro system, the evils condemned by the Welland Board of Trade. But results can only come slowly. Mr. Magrath no doubt will be glad to discuss the problem with business men, especially with a committee from the Ontario Boards of Trade. The essential point is that it is not fair that Mr. Magrath's work should be hampered by criticism that should go further back.

GROCERIES AND "SMOKES"

SALE of cigarettes by the chain grocery stores is a movement that has reached immense proportions in the United States, and will no doubt spread to Canada. It is a new evidence that business is constantly changing, particularly in the distribution end, and that the closest study of trends in merchandising is necessary if business men are to keep in step with the times. Two results are expected from this latest development; an increased consumption of cigarettes by women who are the chief customers of these stores and serious inroads on the business of the retail tobacco stores.

The Atlantic and Pacific Stores, the leading food chain across the border, which has stores in Canada and also resembles the Dominion Stores in this country, sold 80,000,000 cigarettes of one brand in one month—September. They are marketing these on a gross profit of 8 per cent. on selling price as against 24½ per cent. that the tobacco chains have been getting by selling this particular brand at a slightly higher price.

Constant adjustment of policies is necessary to meet constant change in method. But such adjustment is usually cheaper in the end than the mere voicing of protests.

RE-WRITING HISTORY

THERE is nothing like an occasional re-writing of history — rewriting not of the facts but of the story as it has been written. We observe that some of our good friends, the Americans, have been doing it and doing it in a manner that sets a good example to ourselves.

The 150th anniversary of the Battle of Saratoga was celebrated last Saturday. And speaker after speaker, chiefly professors of history, paid high tribute to the British General, Burgoyne, who was defeated at that battle and "upon whose military ruin that day was built the United States." Americans, who could remember something of what they learned in the school books, were no doubt amazed to learn that Burgoyne was not a vainglorious fop who plowed through the woods to his own destruction fortified by wine, women and musical instruments. Instead he was a man who had had a fine military career before coming to America and who had fifteen years of prominence after his return.

And even in that brilliant rag, the American Mercury, we find the professor of history in the University of Buffalo telling the Americans that they lost the war of 1812.

So long as history is taught in our schools—both American and Canadian schools — as it is to-day, boys and girls are going to grow up with sharp antagonism to every other nation, glorying in their nation's military victories (there are never defeats in school histories) and gloating over other peoples' discomfitures.

An American disposition to question the record regarding Burgoyne and the war of 1812 is of little significance for any facts it may induce regarding that man and that war but it shows a franker attitude towards the study of history. And let us hope it evidences a desire on the part of history professors to put the bald truth in the history books. The more they do that, the less important will military and political events seem and the more attention will be paid to the economic and social developments of mankind.

A GREAT LEADER

SIR ARTHUR CURRIE has a knack for facile description. When Sir Herbert S. Holt, president of Montreal Light Heat, and Power, Cons., president of the Royal Bank of Canada, and director of dozens of great Canadian corporations, was given the honorary degree of L.L.D. by McGill University, Sir Arthur described him as "a leader endowed with strength for great responsibilities; clear sighted guide of many nationally important undertakings, who has devoted his organizing talents to Canadian industry; a believer in word and deed in Canadian capital for Canadian development; a citizen of firm faith in Canada's resources, who has administered with broad vision a great Canadian enterprise."

All of this is true. It might be added that the investor who has put his money in any company in which Sir Herbert has interested himself has profited greatly.

Sir Herbert has earned the highest esteem of all good Canadians. It would be well if Canada could count another dozen like him.

THE MILLENIUM

A WRITER in the Canadian Forum has found a cure for our immigration ills. The way to get the people, says he, is to make the country so attractive that they will want to come. He suggests the following improvements upon our national policy:

Public ownership of public utilities;

Supply of all essential services at cost;

Co-operative schemes on the part of producers;

Government assistance through credits and research to agriculture, mining, lumbering, fishing and their allied industries;

Enforcement of the labour conventions of the League;

Old age pensions.

But he does not go far enough. Let us make the following suggestions of similar improvements that we might as well adopt at the same time:

Free beer for the working classes;

Doles for those who prefer not to work;

Appointment of an ambassador to Soviet Russia;

Higher turn-in values on cars and radios.

One thing we will not suggest; that is, castor oil for Bolsheviks and writers in the Canadian Forum.

TOO MUCH CONTROL

CITIES that use traffic control systems find difficulty in regulating pedestrians. The individual is inclined to ignore the red and green lights entirely. One reason is that the periods between changes of direction are often too long. Some cities keep traffic moving in one direction for as long as three minutes without changing the signals. The ordinary mortal is too impatient a creature to stand on a street corner for 180 seconds awaiting a legal right to cross the street. A fast runner can move half a mile in three minutes and the ordinary person can walk a block.

One other complaint that might be registered against the operation of traffic signals is their indiscriminate use by many small towns. This is not so prevalent an evil in Canada as in the United States where, on a number of important motoring highways, every small town has a traffic signal at the main corner of the hamlet. In some of these towns there may be an average of one motor car passing every three or four minutes and yet the red and green lights alternate. It is annoying to the motorist to be kept waiting half a minute or a minute when there is no traffic in the cross direction. But the small towns like to emulate their big city neighbors. Too much traffic control in a small town is as annoying as too little in the large one.

EDITORIAL NOTES

A PIPE can hardly be called the matchless smoke.

• • •

KING GEORGE has banned bobbed hair at Buckingham Palace. You have one guess as to who told him to do it.

• • •

CANADIAN RAILWAY and Marine World publishes a history of Toronto's union station. This should be filed under ancient history.

POST-Scripts

ONE Canadian investor is receiving $22,500 annually in dividends on stock which did not cost him anything.

Seventeen or eighteen years ago he bought 500 shares of Ogilvie Flour Mills at a cost of $54,000. In the next eight or nine years, the dividends were sufficient to amortize capital and pay interest meanwhile. And the investor's holdings were increased to 1,500 shares, on which he receives $22,500 annually.

It demonstrates the virtue of hanging to a good stock when you get it.

WILL Dickie go to college? Dickie is the infant son of a Montreal advertising man. Dickie's dad purchased five shares of International Nickel at 55 and has put it aside for Dickie's education. The dividends will also be put in a special account to be reinvested for the same purposes.

It is a most interesting and expansive topic for speculation as to what those five shares of International Nickel will be worth sixteen or seventeen years from now, when Dickie is ready to go to college. Will they be worth a thousand dollars a share or $10 a share. Will the dividends in the interval amount to much or little?

It is idle speculation now but it will make a big difference to Dickie.

SALESMEN who work on commission in radio and automobile shops must use the greatest tact and resourcefulness in obtaining the names and addresses of prospects who drop in to look around but are hesitant about giving information about themselves. The average person dislikes the possibility of a salesman "following up" and yet the follow up is necessary if the salesman is not to miss many likely sales.

One salesman in a Toronto radio shop is a past master in the art of getting names without the prospects realizing that they are giving them. A lady dropped in to look at the radios. Clearly she was interested in buying a machine. The salesman did not ask her point blank what her name was and where she lived. He did not take a chance on an adroit refusal. Instead he said: "Different parts of the city, we find, require different types of machines. For instance, what street do you live on?"

"Blank Street," was the unsuspecting reply.

"Oh, I know that street. I have a cousin living there, Number 72, I think," the salesman continued, apparently without guile. "Maybe you know the family. Do you live near Number 72?"

"Oh no, we live at 212 and that's quite a distance away."

The secret was out. The salesman jotted down the number without the lady noticing. Then he proceeded to tell her what kind of a machine she ought to buy. When she left he got her name out of the city directory and two weeks later called on her. She probably wonders yet how he got her name and address.

THE current issue of the British Columbia Electric Company's employees' magazine, contains a pink folder which details how the most humble member of the staff has a place in the sales efforts of the company. The employees are told that their assistance is wanted to establish a new record and the employees' salesman scheme is outlined.

It is pointed out to all employees that they know through their social connections, instances where electric ranges, washing machines, floor polishers, and other electrical appliances, or gas furnaces may be sold. They also know where business may possibly be developed for the street railway company.

An employee of an older type might resent the suggestion that he attempt to sell the goods of the company for which he works. He would say that this was the work of the sales department, but with the development of business along sane lines, the employee who lacks the power of discerning the benefit of his individual sales effort, although he is not a salesman, virtually has been eliminated. An indifferent or unfriendly attitude on the part of any employee probably would be eliminated by the following paragraph which appears in the pink folder:

"Indirectly the employee benefits (by the sales effort). The B.C. Electric is a progressive company. Those who have grown old in its service can give a detailed outline of the way in which it has grown from a young plant to a tall branching tree, and every year it is shooting out its branches still further. The revenue produced by such a company is similar to the moisture that enables the tree to develop, and so the company is enabled to branch out still more with every increase in revenue which it receives, all of which must benefit the employee by the greater opportunities a growing and prosperous company affords."

Included in the folder is a blank form which the employee may fill out giving prospective sales, name of prospective customer, his address and the employee's address.

As Others See Us

An Informative Supplement

Calgary Herald.—In The Financial Post number of September 16 there is a valuable supplement featuring the province of Alberta. This special section contains numerous articles by Albertans who are well versed in the statistics and natural wealth of the province. This special issue has left no stone unturned in outlining the province's status in the Dominion and in the world. Her manifold attractions, both for pleasure and holiday seekers as well as for men of vision, have been completely given, and as an informatory account, it would be difficult to criticize.

Comments

Remarkable Remarks by Interesting People

E R. Peacock, British financier and ex-Canadian: "The British investor thinks first of his own country, when he has money to invest. He then turns his attention to Canada, and afterwards to the other Dominions."

• • •

H. Gordon Selfridge, American-born London merchant prince—"The study of business in a scholastic way—its history, its methods and its fundamentals of success—is a splendid addition to the field of collegiate endeavor."

• • •

Rt. Hon. Reginald McKenna, Chairman of the Midland Bank—"There is an earnest group of men in the House of Commons who are endeavoring to secure economy in the administration of government. I wish them well. All I can say is, that all experience is against them."

• • •

Pierre S. DuPont, Chairman of E. I. duPont de Nemours & Co., explaining why his company has grown from $80,000 in 1810 to $308,000,000 in 1927—"Hard and conscientious work; honor and integrity; faith and loyalty; confidence, love and respect for the fellow man; that is the basis of good and successful business as it is of good and successful living."

• • •

Rt. Hon. Stanley Bruce, prime minister of Australia: "We cannot accept the principle that no more immigrants should be landed in Australia until employment is found for all the people here already. The only satisfactory means of settling the country is by co-ordinating the work of development of our resources.

"Australians seem to have arrogated to themselves the view that they are white people, and that Italians are not. Australians should regard Europeans as being as white as themselves. It will only end in disaster if Australians take up the attitude that they are better than other nations."

• • •

Henry Ford—"We can't afford to make any mistakes in the new car. Some of the ideas embodied in it I have had for years, but we must not only have the new car absolutely up-to-date but we must try to be ahead of the times because we hope to produce the new car for years. It is too big a job for us to go through this kind of an experience every year or two. We must get things just right. And we must keep down the price. Our job is to supply the best car possible at the lowest price. If we didn't have to get our price down lower than everybody else, the problem would be easy enough."

Other People's Views

Spurn Attack on Advertising

Printer's Ink: Recently, the Book of the Month Club sent copies of the Stuart Chase opus, "Your Money's Worth," to its list of many thousand subscribers. Under the club's arrangement subscribers are offered an exchange privilege. If they don't like the club's choice they can return the book and choose another from a wide list offered them. Printer's Ink learns from a reliable source that the returns on "Your Money's Worth" were noticeably higher than on other books sent out recently by the club.

Of course, there are several morals to be drawn from this fact. The first is that the book itself carried little appeal because of the obvious one-sidedness of its arguments. It wasn't a particularly good book and therefore readers were not interested.

There is still another conclusion to be drawn, and this conclusion is not particularly flattering to the Chase thesis. People have been buying nationally advertised products for a great many years and have had an excellent opportunity to test out the Chase theories in their own "laboratories," their own homes and offices. The result has not been a general wave of indignation against shoddy manufacture or over-priced merchandise. Rather has it been a growing confidence in the inherent worth of advertised products when compared to non-advertised products.

The buying public to-day is not eager to go back to the methods of its ancestors. It cannot see the particular joy to be derived from making tooth-paste or insecticides in the home when quite satisfactory tooth-paste or insecticides can be bought at the corner drug store, packaged and ready for use.

The national advertising of conscientious, reputable manufacturers has built public confidence and has made possible many labor-saving devices at prices that were unheard of some years ago. It is going to take sounder reasoning and more cogent arguments than those advanced by Chase and Schlink to undermine this confidence.

Costly Smokes

Halifax Herald: The Canadian people smoke approximately three billion cigarettes a year. According to the official Government revenue returns for the year ending March 31st last, the actual quantity of cigarettes entered for consumption in Canada was 3,279,186,050, upon which the Dominion treasury received $23,610,139.50. This revenue included a stamp duty on cigarettes of $6.00 per thousand and a customs duty of 40 cents a pound upon leaf tobacco.

Before 1918 the stamp duty was only $3.00 per thousand and the cigarette industry is applying to have this former duty restored.

The claim is, that the present duty is an unjust burden upon the Canadian cigarette industry, particularly in view of the fact it is double the duty that is imposed by United States upon the same class of goods.

Then, again, it is pointed out, there is such a thing as a duty being so stiff that it hampers the output and development of the industry which in turn operates to diminish revenue. It is the consumer who ultimately pays and that the cost of tobacco to the Canadian people is notoriously high.

These are matters which should receive the careful consideration of the Tariff Advisory Board.

Not Represented

Halifax Herald.—The Herald has received a copy of the official catalogue of the Edinburgh Empire Exhibition. The Empire Marketing Board had a display there as a demonstration of its policy of increasing the sale of Empire produced food products in the British market.

The space taken by the Board was allotted to the Dominions and the Colonies according to their individual requirements. Great Britain, Australia, New Zealand, Union of South Africa and other parts of the Empire were creditably represented by full lines of exhibits. But Canada was not so represented at all.

Stock Market Transactions

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Was this an oversight? The "E. M. B." was set up by the British Government to further the marketing of Empire produce and to advise upon the expenditure of £1,000,000 a year for that purpose. Canada should not lose these valuable advantages. This country should have placed an adequate display of its products at the Edinburgh Exhibition.

It is hoped that proper steps be taken to secure the exhibition of Canadian foodstuffs under the "E. M. B." scheme and that Nova Scotia be fully represented.

"Stop Me If You've Heard This One"

Recently there was a distinct earthquake shock which disturbed a small western city and rocked the municipal building so that the councilmen, then in session, left without the usual ceremonies. The clerk, a man of rules and regulations, was hard put to give his minutes the proper official tone. Finally, he evolved this masterpiece: "On motion of the City Hall, the council adjourned."

Government, Provincial Municipal and Corporation Securities

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INQUIRIES INVITED

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining, insurance inquiries on sheets separate from other investment inquiries.

Derby Motor Car

I own some shares in Derby Motor Car Co.

Could you inform me as to their value and through what medium I could sell them if so desiring?

We have been unable to find any dealer in unlisted stocks who gives a quotation on the common stock of the Derby Motor Car Company.

Page-Hersey

Page-Hersey, I notice, has slumped somewhat from its recent high. Do you think it is likely to come back to its high of a week or so ago? Would you advise me to sell or hold a while longer?

Page Hersey is still just as good a stock as it was a few weeks ago. It went ahead rather rapidly in the stock market and this, in our opinion, accounts for the temporary recession.

Abana Gold Mine is considered a good speculation in the mining field.

Massey-Harris Pfd.

Would you give me your opinion of Massey-Harris preferred stock as an investment?

This preferred is one of the best in the industrial class. Although there are bonds now having a prior charge on the assets, the outlook for the company, we think, is so satisfactory that the existence of the bonds is a negligible factor.

The Anticosti Corp. is backed by three of the strongest companies in the newsprint industry. Although the Anticosti Corp. is comparatively young, we think that the outlook is satisfactory and that the preferred stock will be a reasonably good industrial investment.

Imperial Tobacco

Please give me some information concerning:
Imperial Tobacco Co.,
British American Oil,
Imperial Oil Co.

I hold Canadian Industrial Alcohol and could get out at profit at 40. Would you sell this and buy any of the others for a year's hold?

We think that Canadian Industrial Alcohol will prove to be a satisfactory investment over a term of years.

The same might be said for Imperial Tobacco Co., British American Oil, or Imperial Oil. You might buy some of each of these three stocks and anticipate ultimate satisfactory return as well as appreciation in capital.

Canadian Alcohol, etc.

Would you advise me to hold or get clear of:
Canadian Industrial Alcohol.
Seagram's.
Lake Ontario Brewing.

Canadian Industrial Alcohol common shares have been moving to higher levels in recent weeks, and we believe that this movement is the result of an improved financial position, due to better business in the last year.

Seagram's is a distillery with a long established name and should do reasonably well, but the market does not appear to place a very high value on this stock, and there does not appear to be any recent news which would justify the hope of an early rise in value.

We understand that Lake Ontario Brewing Co. is doing very well at this time.

P. Lyall and Sons

What do you think of P. Lyall for a speculation? Would you kindly give me some information on that stock.

The stock of P. Lyall & Sons Construction Company is of a highly speculative nature.

The earnings of the company are wholly dependent upon the contracts obtained by it. It is engaged in general contracting work and has completed several large contracts in different parts of the country. Contract for the steel gates for the Welland Ship Canal has been secured by the Steel Gate Company Limited which is wholly owned by P. Lyall & Sons and the parent company has also secured a contract for a concrete viaduct at the new Toronto Union Station. The dividends have been paid on the preferred stock regularly since 1913 at the rate of 7 per cent. per annum, payable half yearly.

An initial dividend of 2 per cent. was paid on the common stock in October, 1917, and quarterly thereafter to October, 1921. One per cent. was paid in January, 1922, and nothing has been paid on the common stock since.

Goodyear Preferred

I am interested in Goodyear Tire, preferred at 104½. Is there any arrearage of dividends or have they been paying these amounts regularly for a number of years?

Also, I would like to know about Cockshutt Plow, preferred. It is selling now around 80. Have you any information? Have they had a good year in 1927? They have been paying, I understand, 4 per cent. Are there considerable accrued dividends yet to be paid? I think that this would be a good buy provided their business was looking up and their earnings improving.

The preferred stock of Goodyear Tire and Rubber Co. is a good investment. All the arrears of dividends have been paid and the capital structure of the company so adjusted that there is no reason to anticipate that the dividends again will fall in arrears. Arrears of dividends were paid in cash over a term of a few years. This in itself indicates that the company has been in an improving position.

Cockshutt Plow Co. also is in an improving position and the shareholders generally have less cause to worry over their investment now than they had a year ago.

Gatineau Power

I hold at the present time about $125,000 in government securities, and have available $30,000 additional funds for investment. Would you consider it good business for me to purchase this amount of Gatineau Power Company 5 per cent. bonds?

Yes, the Gatineau Power Co. five per cent. bonds are a good utility investment, but we are wondering if you would not find it profitable eventually to place your $30,000 in sound industrial and utility stocks. You have such a substantial background of government securities that you might reasonably divide your $30,000 additional funds between such stocks as the following:
Canadian Pacific Railway.
Montreal Power.
Shawinigan Water and Power.
Bell Telephone Co. of Canada.
Steel Company of Canada.
Consumers' Gas Co. of Toronto.

The immediate yield from these stocks might not be quite as much as the yield from an industrial bond, but the chances of appreciation in principal and increased dividends offset the probable temporary decrease in income.

L. R. Steel

I should like to ask you regarding stock in the L. R. Steel stores. I have $220 worth. Is it worth anything and do you think it ever will be worth anything?

The stock in the old L. R. Steel Co. is not worth anything.

If you subscribed to the L. R. Steel Shareholders' Protective Fund a few months after the collapse of the enterprises, you are holding certificates which have some value, although the new company probably will not be on a dividend basis for some years, if at all. We understand that the stores are being operated at a profit, after several years of discouragement.

We do not know whether the shareholders who put new money into the enterprise are any better off than the shareholders who did not subscribe to the protective fund, which bought assets and satisfied creditors' claims in the bankruptcy courts in this country and the United States. The subscribers to the protective fund have not received any interest for two years and it is impossible that the return on the investment ever will be sufficient to compensate for the loss of the original investment.

Eastern Dairies

I have in mind buying a few shares of some good common stock with a possibility of enhancing in value over say the next year or year and a half, and if not asking you too much would appreciate some suggestions from you as to just what you think it would be wise for me to buy; some I may buy outright and some on a margin.

I have in mind Power Corporation; Eastern Dairies; Montreal Light, Heat and Power; International Nickel; Brazilian, and City Dairy Common. Perhaps there are some others which you think would make more attractive buys.

Any of the stocks you mention probably would be satisfactory from your viewpoint over a term of years. You, we understand, are not interested primarily in returns but that appreciation of capital is your real aim.

Considering the standard common stocks, you should not overlook the possibilities of C.P.R., Bell Telephone and Consumers' Gas, Toronto. An attractive stock in the utility group at the present time is Winnipeg Electric. The Power Corporation of Canada, of course, is a holding corporation, having a large interest in Winnipeg Electric, Dominion Power and Transmission Company, as well as a number of other utilities.

Ontario Equitable

Will you kindly give me data regarding treasury stock of the Ontario Equitable Life and Accident Insurance Company, of Waterloo, from the standpoint of; first, safety; second, future dividends; third, probability of an increase in value over several years; fourth, marketability; fifth, value of stock as collateral. I have an opportunity to purchase some of this stock at $127 per share of which $37 per share is required in cash while the balance is subject to call should the company require it. Do you regard this stock as a good long term investment?

The life insurance stocks in Canada have been showing a steady enhancement in value of late and have attracted the attention of the best informed investors. Among those stocks which have come in for attention has been that of the Ontario Equitable. It is felt that this company now has behind it the most difficult years and is in for a period of steady expansion along lines that should be productive of good results for the shareholders. We look for continued appreciation in the stocks and think that, taking the three or five year outlook on the shares, you would not be making a mistake to invest.

The stock would rate satisfactorily on practically all the points you mention. On the question of marketability a fairly active trading market is maintained in the shares among unlisted security dealers in Toronto.

Stanford's Common

What do you know of Stanford's, Limited? I hold some shares of the common stock. Would you advise me to sell?

The fiscal year for Stanford's Limited, ends on August 31 and the company's annual statement will shortly go forward to shareholders. While no official figures are as yet available it is reported that the earnings of the company during the past year have been somewhat better than those of last, and will run around $110,000. After deducting $35,000 for the 5,000 shares of 7 per cent. cumulative first preferred stock, and $14,000 for the 2,000 shares of 7 per cent. cumulative second preferred, there will be some $61,000 available for the 20,000 shares of no par value common stock outstanding.

It is possible that a dividend of $1 a share may be paid on the common stock in 1928, but the greater part of the surplus will in all probability be devoted toward expanding the company's business, thereby increasing the equity of the shareholders of the common stock.

The company is opening two new stores in Montreal which will bring its chain up to six stores, a bakery and kitchen.

As the stock issue was only put on the market last April it is much too early to anticipate any marked rise in value of the shares or anything extraordinary in the way of dividends.

The prospects of the company appear good, however, and the management capable and enterprising, so that disposal of the common stock at the present time would not appear advisable.

Debenture Co. of Canada

I hold the following securities:
6 shares The Debenture Co. of Canada (Capital Stock),
$500 Dom. of Can. 5½% bonds, due 1934,
$2,000 Dom. of Can. 5½% bonds, due 1933.

Would you advise me about converting the above and purchasing other securities so as to give a higher yield or dividend per annum? In addition, I hold a small block of Bank of Montreal stock, which I think best to keep.

What is your opinion of National Grocers stock? I would wish to purchase securities from which the element of risk is eliminated..

Could you give me any information regarding the shares of the Debenture Co. of Canada? It is a Western concern, head office, Regina, and I do not seem to be able to find anything about it in the daily papers or in the various brokers' bulletins.

The Debenture Co. of Canada has been going steadily since 1917 and it is fair to assume that growth will continue.

The company is in the trust and loan class and there is not a great deal of news concerning it to be published. The Financial Post, however, publishes the annual report and also gives a great many figures concerning this company in its trust and loan number, which this year was published on April 1.

We think that this investment would continue to be satisfactory.

If you are disposed to sell your bonds and go into other investments to secure a higher yield, you must at this time seek the preferred stocks. A number of these will give you a good yield with a reasonable degree of safety, although it may be pointed out that the element of risk in investment is never absolutely absent.

If an immediate yield of six per cent. is not necessary in your case, you probably would be well advised to put your money into a number of the standard common stocks. The current prices of these stocks are so high that the yield is perhaps below the yield on bonds, but over a term of years the return, normally, should be considerably higher than the return from bonds, for the reason that dividends are increased, or rights to subscribe for new stock are given shareholders of record or there are other factors which lead to an appreciation of principal.

Some of the standard Canadian stocks are Canadian Railway, Steel Co. of Canada, Montreal Light, Heat and Power, Shawinigan Water and Power, Consumers' Gas Co., Toronto, and there are others.

Picks Thirteen Stocks

I am thinking of buying the following common stocks:
5 Steel of Canada,
5 Lake of the Woods Milling,
5 Bell Telephone,
5 Consumers' Gas,
5 Montreal L., H. & P.,
5 Ottawa L., H. & P.,
10 Duluth Superior Traction,
5 Dominion Textile,
5 Dominion Glass,
5 Goodyear Tire,
20 International Nickel,
10 International Paper,
10 Imperial Oil.

This would require at present prices about $9,000.

Have you any criticism to offer or any suggestion to make?

These are all common stocks, it is true, but I am buying with the expectation chiefly of appreciation in value, with a fair return in dividends together with reasonable safety of my capital.

In the main, we believe you have selected an admirable list, and with the degree of diversification you have achieved, we do not anticipate that you will meet with any trouble so long as the general prosperity of the country is improving.

At the moment, we are inclined only to question the advisability of investing in Duluth Superior Traction. It is true that this company has shown a remarkable increase in net earnings in the current year, but it is a trifle disturbing to learn that the August income for this year was not equal to the August of last year, despite higher rates this year. We think that investors would be well advised to wait until a full year's earnings have experienced under the new rates. Of course, at the moment the yield is comparatively high, but the yield should be sacrificed for safety. We are not suggesting that investment in this company would not be reasonably safe, but we are of the opinion that street railway companies yet have considerable distance to go before they have solved all their problems. Utilities with power rights of their own are in a much better position.

International Paper also is speculative, but it is fair to assume that this company will do very well in the next few years and that the shareholders will reap substantial benefits. Youd commitments in this stock would not be sufficiently large to cause you worry.

You have chosen a number of companies in essential industries. A list which would include one or more of the food stocks other than the milling companies, would, perhaps, be well rounded out. A food stock which is attractive at this time is the common of Christie Brown & Co. In the retail line, you will find that Dominion Stores is in an improving position.

For Yield

I have about $4,000 to invest and wish to get 6 per cent. and also some chance of appreciation in principal.

We have been scanning the Canadian investment list and find it rather difficult to discover stocks which will give you an immediate yield of 6 per cent. and at the same time give you some chances of appreciation in value. However, here is a list of good stocks which comes within $16.80 of giving you 6 per cent. on approximately $3,780. In every case we think that the stocks are sound and that there should be some appreciation in capital over a term of months or years. But some of them are not the really active stocks, as you will see by checking them up in our stock market records.

Suggestions to meet your requirements would be as follows:

5 shares of Famous Players Canadian Corporation preferred at 98, which would give you a yield of $40.

10 shares of American Sales Book at 65, which would give you a yield of $40.

10 shares of Goodyear Tire common at 98, which would give you a yield of $50.

10 shares of Pacific Burt at 102, which would give you dividends of $60.

10 shares of Price Bros. common, which would give you a yield of $20.

All of these are common stocks, excepting the first named. We are inserting this because the company is well managed, the country prosperous and the current yield happens to bring up the yield on some of the common stocks which run below 6 per cent. at the moment.

American Sales Book and Pacific Burt are two companies in similar lines of business. American Sales Book operates east of the Rocky Mountains and Pacific Burt west of the Rocky Mountains. Both companies are under the direction of S. J. Moore, who, as you probably know, controls the F. N. Burt Co. These companies are noted for their conservative financial policy and the investor in the company is fairly certain to have a satisfactory experience.

The Canadian Goodyear company is the largest manufacturer of tires and other rubber products in Canada. Earnings for the current year are reported to be materially higher than last year.

Price Bros. is a newsprint and power stock. The company is beginning to cash in on its considerable investment in the Duke-Price and Aluminum Co. enterprises in the province of Quebec.

Quebec Properties

Will you kindly give me your opinion with regard to Laval Quebec, Stadacona and Abana.

Abana is a large proven mine that is developing rapidly and promises big things. Stadacona and Laval are both prospects and are to be regarded as quite speculative. All are operating.

When Women Invest

One Has Good Industrial List But is Down on Mines, Principally Silver

—A Weekly Feature.

Will you please be good enough to let me have your opinion of the securities listed below, which are owned by a woman. She would like to have your criticism of them and advice as to whether she should hold or sell any or part of the list:

5,000 City of Hamilton bonds, 4½ per cent., cost $4,894.90.

25 Steel of Canada, pfd., 7 per cent., cost $4,275.

25 Mackay Companies, com., 7 per cent., $2,475.

15 Mackay Companies, pfd., 4 per cent., $1,080.

5 Russell Motors, pfd., 7 per cent., $495

10 Canadian General Electric, pfd., $550.

5 Goodyear Tire, pfd., $495.

Mining shares on separate list.

What is your opinion of Winnipeg Electric common?

Mining Shares

100 Hollinger, cost price $1,800.
50 Teck Hughes at 1.66, $83.
1,102 Castle Trethewey, $2,000.
500 Goldale, $200.
200 Pioneer, $154.
25 McIntyre, $612.25.

She wishes to know if she can do better.

Is She Independent?

In asking us to comment on the investments owned by a woman, we would like to know whether or not the holder is dependent on income from investments, or if she is a married woman supported by her husband. Please bear in mind that we are in the dark on these points.

The industrial list, in our opinion, is first class and with the background of a municipal bond of the City of Hamilton, there is little cause for worry. At the same time, however, there is little cause for appreciation of principal. If the lady has any further profit to invest, we would suggest that she put it into Consumers' Gas Company of Toronto. This is a common stock with a guaranteed return. The company is excellently managed; the stock is a prior charge on assets and earnings inasmuch as there is no preferred stock or bonds. From time to time, as new capital is required, the holders of this stock are given opportunities to invest at prices somewhat below the market.

Another stock which is excellent from an investment viewpoint and which has attractive possibilities for appreciation in value, is the preferred of Steel of Canada. Apparently this has been recently purchased and is held at a somewhat high price. It may be some time before there are further advances in the value of the stock, and it is possible that there may be material temporary recessions, if the general market is not favorable. But on the whole, the outlook for this stock is exceptionally bright.

We own and offer
Port Alfred Pulp & Paper Corporation
1st Mortgage Sinking Fund 5½% Bonds (Series A)
at 97 and Interest, yielding 5.70%

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Twenty Year 5% Sinking Fund Debentures
at 95¾ and Interest, yielding 5.35%

Fraser Companies Limited
6½% Fifteen Year Debentures
at 99½ and Interest, yielding 6.55%
with warrants to buy Common Stock

Shawinigan Water & Power Co.
Forty Year 4½% First Mort. and Coll. Trust Sinking Fund Bonds (Series A)
at 95½ and Interest, to yield over 4.75%

Metropolitan Corpn. of Canada Limited
Twenty Year 6% First Mortgage Sinking Fund Bonds (Series A)
at 99 and Interest, to yield over 6.05%

These and other high grade Securities are concisely described in our October Investment List, which also contains a valuable list of Called Bonds

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Forty-year First Mortgage and Collateral Trust Sinking Fund Gold Bonds, Series A, 4½%

Dated Oct. 1st, 1927. Due Oct. 1st, 1967.

Principal and half-yearly interest payable, at the holder's option, in Montreal, New York City, or in London, England. Denominations: $1,000 and $500.

Price: 95.50 and accrued interest, yielding over 4.75%.

Fully descriptive circular gladly furnished upon request.

36 King Street West,
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Wood, Gundy & Co.
Limited

Gatineau Power Company

5% First Mortgage Gold Bonds

Due June 1, 1956

Principal and semi-annual interest (June 1 and December 1 payable in United States gold coin in New York and Boston, and in Canadian gold coin in Montreal and Toronto. Coupon bonds in denominations of $500 and $1,000, registerable as to principal.

The Gatineau Power Company controls water power sites with an aggregate potential capacity in excess of 800,000 h.p. Contracts for the sale of power have been executed with the Hydro-Electric Power Commission of Ontario, The Canadian International Paper Company and the Canada Cement Company. Upon the completion of the capacity under construction and the sale for power purposes of all power to be produced, it is estimated that net earnings of the Company available for interest and reserves will exceed $6,000,000 per annum, or over 2¾ times the annual interest requirements on the entire First Mortgage Bonds outstanding. Circular upon request.

Price at market to yield about 5.10%
(Subject to prior sale and change in price)

The National City Company
Limited
Head Office—St. James and St. Peter Streets—Montreal
10 King Street East TORONTO | 204 Blackburn Building OTTAWA | 71 St. Peter Street QUEBEC
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CANADIAN PACIFIC BUILDING TORONTO
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At the Investor's Service

Clients of this company enjoy a financial service which includes membership on five exchanges, twelve offices connected by private wire, and correspondents in leading financial centres.

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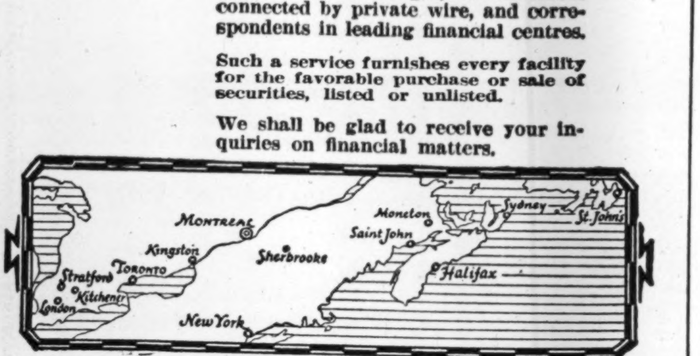
We shall be glad to receive your inquiries on financial matters.



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News of Investment Markets

SELL BOND ISSUE FOR "NEWS" MILL AT MURRAY BAY

Murray Bay Paper Co. Will Have 120 Tons Capacity

From Our Own Correspondent.

MONTREAL.—An offering of $2,000,000 Murray Bay Paper Company, 6½ per cent. 1st mortgage 20 year sinking fund gold bonds has been made jointly by Royal Securities Corporation of Montreal, and Peabody, Smith & Co., Inc., of New York, this week. The bonds are offered at $100 and accrued interest to yield 6½ per cent.

Murray Bay Paper Company has under construction a paper mill with a rated capacity of 120 tons per day of newsprint paper, and it is expected that the mill will be in complete operation early in the spring of 1928.

The company has acquired wood cutting rights on Crown limits, and a lease of a going modern groundwood pulp mill of 130 tons daily capacity, having its own hydraulic development with an installed capacity of 8,450 horse power. It has a contract for electric power running well beyond the maturity of the present bond issue, and adequate for the operation of its entire plant. It also has a contract for sulphite pulp with the Ste. Anne Paper Company, which is controlled by the same interests.

The mill is near the St. Lawrence River, 90 miles below Quebec, and near the port of Murray Bay.

The company has acquired cutting leases or rights on Crown timber limits on the watersheds of the Malbaie and Gouffre Rivers for the full wood requirements of a 120 ton mill for a period of 30 years. The products of the mills will be marketed by the Canadian Newsprint Company of Montreal, the largest distributor of newsprint paper in the world.

Based upon the present price of newsprint, it has been estimated that the net earnings of the company available for depreciation and interest will be not less than $565,000 per annum, an amount sufficient to cover the maximum annual interest charges of $130,000 on the bonds over 4½ times.

The company's common shares will be owned by a group comprising Abitibi Power and Paper Co., Spanish River Pulp and Paper Mills, Mead Investment Company of Dayton, Ohio, and other prominent interests in the Canadian newsprint industry.

Particulars of the issue follow:

$2,000,000 Murray Bay Paper Company, Limited
6½% First Mortgage Sinking Fund Gold Bonds
Dated Oct. 1, 1927 Due Oct. 1, 1947

Company—Constructing newsprint mill of 120 tons daily capacity near Murray Bay, Que.

Assets—Estimated will be $4,550,000.

Earnings—Estimated at $565,000 per annum available for interest and depreciation.

Capitalization—	Authorized	Issued
First mortgage bonds .	$2,000,000	$2,000,000
7% cum. pref. shares .	2,000,000	1,250,000
Com. shares (no par) .	50,000 shs.	50,000 shs.

Sinking Fund—Commences Jan. 1, 1930, to retire all bonds at or by maturity.

Ownership and Control—Will be controlled by group including Abitibi and Spanish River Companies and Mead Investment interests.

Markets—Newsprint will be sold through Canadian Newsprint Company.

Security—First charge on all assets.

Offered—October, 1927, by Royal Securities Corporation and Peabody, Smith & Company at 100 to yield 6.50 per cent.

Recent Bond Offerings Show Money Costs Less

From Our Own Correspondent.

MONTREAL.—During September investors were given another indication of the declining cost of money, according to Hamilton, Warner & Company in the current issue of their Investment Digest. Following the recent offering of Canadian National Railways (Dominion Guaranteed) 4½ per cent. bonds at 98½ to yield 4.60 per cent., comes the sale by the Province of Nova Scotia of $12,050,000 twenty-five year 4½ per cent. debentures maturing December 15, 1952, to a syndicate which is offering them at 99¼ to yield 4.55 per cent. Several issues of small municipalities in Ontario were sold on a basis where the return to the investor will be around 4.75 per cent. or less.

Additional support to the already strong substructure of the bond market was provided by the announcement of the Minister of Finance, Hon. J. A. Robb, that he has sufficient funds on hand to meet entirely government obligations maturing on November 1, and November 15, next. Although these obligations aggregate over $37,000,000 it is expected that there will be a substantial amount of cash available in the treasury to retire some of the 5½ per cent. bonds falling due on the first of December.

In the corporation bond list, there were few changes of note. The tone of the market continues strong and prospects are, that with the large amount of funds which will be available for investment during forthcoming months, prices will show further improvements.

Quebec Asks Lawyers to Study Compensation

The latest move by Quebec, in the matter of Workmen's Compensation, is the appointment by the provincial government of two judicial persons to investigate the existing systems of compensation that are in force in Ontario and New Brunswick. Premier Taschereau prefers not to call his appointees a commission, in fact, when the announcement appeared the premier immediately denied that it was a commission that had been appointed. The two gentlemen are lawyers, Walter G. Mitchell, K.C., of Montreal, a former provincial treasurer of the province; and Louis De Mers, K.C., Quebec City.

These gentlemen have been given authority by the Quebec Government to thoroughly investigate the present system of compensation as operating under provincial control in Ontario and New Brunswick, and they are to report their findings to the premier at the earliest possible moment. Presumably, the premier is desirous of being thoroughly informed on the subject before the provincial parliament resumes office anew this fall.

National Distilleries Launch New Stock Issue

From Our Own Correspondent.

MONTREAL.—An offering of 33,750 shares of National Distilleries, Ltd., is being made to the Canadian investment public. The stock which is offered by H. B. Robinson and Company, of Montreal, and Housser Wood and Company, of Toronto, is priced at $20 per share.

The purpose of the issue is to provide working capital for the treasury of the company. The company owns two distilleries, one located at Lachine, in the Province of Quebec, and the other at St. Boniface, Manitoba, the latter plant having lately been acquired by the purchase of the capital stock of the Manitoba Refineries Company, Ltd. The Manitoba Distillery is being successfully operated at the present time. The Quebec plant is now being completed and will be in operation by November. It covers about five acres of land and is situated on the River St. Lawrence and possesses both water and rail transportation. The plant will have a capacity of 4,000 gallons per day, with storage in excess of 2,500,000 gallons, and will be the largest distillery in the Province of Quebec and one of the largest in Canada. The combined production of the two plants will be approximately 6,000 gallons of spirits per day with storage capacity in excess of 3,000,000 gallons.

The company directorate is made up of men prominent in business and financial circles, and includes Edward C. Pratt, David N. Finnie, Robert J. Magor, Lieut.-Col. E. J. Cleary, D.S.O., Edward Fitzgerald, W. T. Gwyn, Charles G. Greenshields, K.C., and J. G. Turgeon.

The company will manufacture alcohol for commercial and industrial purposes, as well as a complete line of whiskies, gins, etc. and controls valuable selling agencies for well-known European brands, choice wines and liqueurs.

The fixed assets of the company, based on depreciated appraisal values are valued in excess of $820,000, while the current assets amount to approximately $911,000 against current liabilities of $116,000, being in the ratio of over 8 to 1; cash on hand is in excess of $500,000.

It is proposed to list the shares of National Distilleries on the unlisted department of the Toronto stock exchange and on the Montreal Curb.

33,750 Shares
National Distilleries, Limited

The Company—The company owns two distilleries; one in Quebec, and one in Manitoba. The plants have a combined production of approximately 6,000 gallons of spirits per day, with storage capacity in excess of 3,000,000 gallons.

Security and Assets—Fixed assets valued in excess of $820,000. Current assets $911,000, against current liabilities of $116,000.

Earnings—The earnings are estimated between $250,000 and $300,000 per annum, for the first year.

Capitalization

	Authorized	Issued
7 per cent. pref. stock	5,000 shs.	3,294 shs.
Common stock	250,000 shs.	78,000 shs.

No bonds. No mortgages.

Consolidated Balance Sheet
After giving effect to present financing.

ASSETS

Current Assets—		
Cash	$614,531.71	
Bills receivable	297,443.84	
		$911,975.55
Deferred charges, etc.		6,788.83
Fixed Assets—		
Real estate, bldgs., plant, machinery, etc.		820,715.18
Goodwill		2.00
		$1,739,481.56

LIABILITIES

Bank loan	$ 64,358.93	
Current	52,386.91	
		$116,745.84
Capital Stock—		
Authorized: 5,000 shares 7 per cent. cumulative preferred and 250,000 shares no par value common stock.		
Issued: 3,294 shares 7 per cent. cumulative preferred redeemable	$329,400.00	
78,000 shs. no par val. com. stk.	1,248,000.00	
		1,577,400.00
Capital surplus		45,335.72
		$1,739,481.56

Offered— October, 1927, by H. B. Robinson and Co., Montreal, and Housser, Wood and Co., Toronto, at $20 a share.

Canadian National Buys in Underlying Bonds

The Canadian National Railway Company is taking a further step towards making the merging of the systems more complete. Recently a circular was issued by the Canadian National Railways to holders of the five per cent. mortgage bonds of the Grand Trunk Junction Railway, which fall due for repayment on January 1, 1934, offering to purchase them on January 1 next at 99. This sum is exclusive of the coupon for six months interest due upon that date, which will be paid in the usual way. The reasons given for anticipating redemption of the bonds are that it will help to simplify the keeping of the accounts of the National Railways, and avoid expense involved in the maintenance of many special bookkeeping arrangements consequent upon the separate corporate entity of the Junction Railway Company. The offer is conditional upon its being accepted by the holders of [illegible]0 per cent. of the bonds, or such smaller percentage as the company may be willing to accept, on or before December 1. A commission of ¼ per cent. on the par value will be allowed to banks and brokers in respect of forms bearing their stamps. The amount of these bonds outstanding is £194,000, in addition to £256,000 held by the Canadian National Railway Company. They were issued for cash in April, 1884, at 97½. This is the present price of the bonds, so that there is a small bonus in the offer.

Long Term Bond Purchases Are Favorable to Investor

In 1922 the holders of Dominion of Canada Victory Loan 5½% bonds maturing on December 1st of that year had the option of renewing their investment in bonds of the Dominion and of selecting either the 5½% Loan, due 1 November, 1927, or the 5½% Loan, due 1 November, 1932, at a price of 100. The five-year bonds, after reaching their peak price of 102.25 will mature in a month's time and be paid at par whereas the ten-year bonds, which cost exactly the same price, reached a peak price of 103.70 and are at the present time selling at 103, according to a bulletin prepared by the Dominion Securities Corporation.

A somewhat similar situation existed in the fall of 1923 when the 5-year Victory Loan 5½% bonds issued in 1918 fell due. Investors had the option of securing either a 5-year Refunding Loan bond at 99 or a 20-year bond at 98.25. The short-term bonds after selling up to 101.15 are now quoted at 100.35 and will mature next year at par; whereas the Refunding Loan 5% bonds, due 15 October, 1943, are quoted at the present time at approximately 103.75.

We have witnessed a gradual decline in coupon rates from the 7%, 6½% and 6% Dominion Guaranteed Government issues, which were available at par or better after the war, to the most recent issues of 4½% Dominion Guaranteed bonds. During the same period Public Utility and Corporation securities have steadily advanced in price and various refunding operations of considerable magnitude have taken place whereby 6½% or 6% coupons have been replaced with 5½% or 5% coupons.

These are facts which we should bear in mind as we consider the probable trend of bond prices and yields in relation to our individual investment problems, and coupled with these, the fact that prior to the war, government, municipal and public utility issues provided yields ranging from 3.85% to 4.35%.

Increasing totals of bank deposits, increased wealth through the development of our country's natural resources, increased revenue from invested capital—these are but a few of the factors which have a direct bearing upon bond prices and yields and point to the desirability of purchasing long-term bonds at the present attractive levels.

Expect $600,000 Bond Issue on Halifax Hotel

It is expected H. R. Bain & Co., Toronto, will shortly offer $600,000 of bonds of the Lord Nelson Hotel Company of Halifax. Already $500,000 of preferred stock has been subscribed and a Halifax "drive" is on for a further $140,000 of money junior to the bond issue.

A statement by H. R. Silver, Halifax, president of the company, says:

"At a meeting of the executive committee of the hotel directors just completed, we selected as the site for the new hotel the Dwyer property at the corner of Spring Garden Road and South Park St. This site has been approved by President E. W. Beatty, of the C. P. R. We have disposed of the $600.000 bond issue; the Canadian Pacific Railway is taking $350,000 worth of preferred shares; other subscriptions have been received, totaling $150,000, and when the executive committee met recently, the total subscriptions, including bonds, was $1,100,000. The completed hotel, furnished open for business with a substantial amount in the treasury will cost $1,240,000. Only $140,000 remains to be secured and we are launching a campaign in Halifax to close out this amount. Just as soon as this balance is secured, the contract will be awarded and work on construction will proceed during the winter months. The new Lord Nelson Hotel will be open for business next year. The directors of the Lord Nelson Hotel Company feel that in interesting the Canadian Pacific Railway in this project that they have accomplished more for Halifax and Nova Scotia than the mere construction of an hotel, and it is our opinion that when the campaign is launched that the balance of money required, $140,000, will be subscribed."

Warn Investors to Check Up on Bonds Now Called

Twelve important bond issues are being redeemed during the next half year, some of them immediately. Failure to return called bonds to the redeeming authority frequently causes loss of interest to out of town investors who are not in close touch with the financial centres. Flood, Barnes & Co. list the called issues as follows: :

International Paper Convertible 6's, due 1941, $10,000,000, will be redeemed on Oct. 1st, 1927, at 102½; the balance of this issue on Dec. 1st, 1927, at 102½.

Ottawa-Montreal Power Company First Mortgage 6½'s, due 1940, will be redeemed Dec. 1st, 1927, at 105.

Gatineau River Power 6½'s, due 1940, will be redeemed Jan. 2nd, 1928, at 102½.

Port Alfred Pulp & Paper Corp. First Mortgage S. F. 6½'s Series B, due 1943, will be redeemed April 1st, 1928, at 104½.

Page Hersey Tubes, Ltd., First Mortgage S.F. 6's, due 1946 (in part by lot) will be redeemed Nov. 1st, 1927, at 105.

Provincial Paper Mills, Ltd., First Mortgage S. F. 6's, due 1940, will be redeemed Nov. 1st, 1927 at 105.

Shawinigan Water & Power—All bonds now outstanding at the following dates and prices:

Consolidated 5's, due 1934, will be redeemed Jan. 1st, 1928, at 110.

1st Refunding 5½'s, due 1950, Series A, will be redeemed Dec. 1st, 1927, at 110.

1st Refunding 6's, due 1950, Series B, will be redeemed Jan. 1st, 1928, at 105.

1st Refunding, 6's, due 1950, Series C, will be redeemed Jan. 1st, 1928, at 105.

1st Refunding 5½'s, due 1954, Series D, will be redeemed April 1st, 1928, at 105.

1st Refunding 5's, due 1955, Series E, will be redeemed April 1, 1928, at 105.

INTEREST DUE
October 15th
on
BLOOR BUILDING
United First Mortgage Bonds
Coupons payable at United Bond Company office, Windsor; Royal Bank, Windsor and Toronto; office of Howard C. Wade, Detroit, and Chemical National Bank, New York.
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Toronto Windsor

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New Issue $2,000,000
MURRAY BAY PAPER COMPANY, LTD.
6½% First Mortgage 20 Year Sinking Fund Gold Bonds.
Dated October 1, 1927.
Due October 1, 1947.
Price: 100 and accrued interest to yield 6½%.
Descriptive Circular on Request
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Write for circular describing the "Class A" Stock of this Company

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Toronto
Telephone Adelaide 0669

CANADIAN HOUSES UNDERWRITE BIG PART BRAZIL LOAN

Further Emphasis Given to Canada's Position in Foreign Financing

A new mark in Canadian participation of foreign financing, is seen this week in the announcement that a syndicate headed by the Dominion Securities Corp., has undertaken to write up a substantial block of the new $85,000,000 United States of Brazil 6½ per cent. external sinking fund gold bonds of 1927. This issue is divided into $41,500,000 of bonds for the American market and $8,750,000 pounds sterling for Europe.

The South American field has long attracted Canadian capital through such media as the Brazilian Light, Heat and Traction Co., International Petroleum, Andean National Cor., etc. Moreover, there has been considerable interest in state and government securities and while the amount of Canadian capital placed in South America is not definitely known, it has been placed at over $101,000,000.

In many respects Brazil is undergoing a period of development similar to that in Canada. The country has enormous and valuable natural resources, which have only been partially developed. Its forest areas, for example, are nearly three times as extensive as Canada's. Iron, gold, coal and other minerals are mined in the different provinces. Agriculture, of course, is the principal industry and Brazil ranks high as an exporter of coffee, rubber and other semi and tropical products.

Within her boundaries Brazil harbors resources that rival ours; abroad are markets for her raw materials; at home is a growing demand for the products of her mills and factories. From foreign countries she is importing laborers; throughout her vast territory she is developing a transportation system that is closely knitting together the interests of her individual states.

In the development of her manufactures, even more than in the increased production and diversification of her agriculture, Brazil has acutely felt the shortage of capital. Just as the lack of investment funds and labor prevented Canada's greater success in industrial lines after the South African War, so the want of capital and man-power is to-day the chief obstacle to an even more rapid expansion of Brazilian industry.

While in no sense a stabilization loan, the new financing will aid materially in the government's program, looking forward to that end. Proceeds will be used to reduce treasury obligations, including floating debt, and follows legislation sponsored by President Washington Luiz. This legislation provides for the eventual placing of Brazilian currency on a gold basis, stabilization of exchange, and stronger financial support for Brazilian agriculture and industry.

Research work just completed by the banking group in charge of present financing indicates a present per capita funded debt in Brazil of approximately $30 as against per capita national wealth of approximately $530. The borrowing nation is equal in area to the combined area of the United States (excluding Alaska), Great Britain, Holland, Belgium, Portugal and Switzerland. Its wealth in agricultural and mineral products is widely diversified.

Particulars of the issue follow:

$41,500,000 United States of Brazil

6½% External Sinking Fund Bonds, 1927

Dated October 15, 1927 Due October 15, 1957

Security—Direct obligation of United States of Brazil. Will be specifically secured subject to the charges of 6½ per cent. loan of 1926, by charges on income taxes and taxes on invoices; consumption taxes; import duties.

Revenue—Total revenue derived from above sources in 1925 was approximately $138,000,000 and in 1926 approximately $150,000,000.

Sinking Fund—Calculated to retire all bonds by maturity by semi-annual call at 100 per cent. and interest.

Resources—Its wealth in agricultural and mineral products is widely diversified. Brazil is largest producer of coffee in the world and exports, in addition to coffee, large amounts of sugar, cotton, cocoa, tobacco and rubber.

National Debt—On December 31, 1926, but after giving effect to these issues, was approximately $1,067,000,000, of which $768,000,000 was external. This represents a per capita funded debt of approximately $30.00, as against per capita national wealth of about $530.00.

Listing—Application will be made to list these bonds on the New York Stock Exchange.

Offered—In Canada by Dominion Securities Corp., and syndicate at 92½ and interest to yield about 7.10 per cent.

This Week's Bond Sales

District of Point Grey

The District of Point Grey has sold an issue of $747,000, 5 per cent., 10, 15, 20, and 30-year bonds to Wood, Gundy & Co., and Pemberton & Sons, on a bid of 99.60, a cost basis to the district of 5.05 per cent.

Toronto Separate Schools

An issue of $100,000 5 per cent. 20-year bonds of the Toronto Separate School Commission has been awarded to Gairdner & Co. at 100.579, a cost basis to the Commission of 4.96 per cent. The bids were:

Gairdner & Co.	100.579
McLeod, Young, Weir & Co.	100.578
Fry, Mills & Spence	100.570
Dyment, Anderson & Co.	100.550
Wood, Gundy & Co.	100.40
C. H. Burgess & Co.	99.94
Graham & Co.	99.85
A. E. Ames & Co.	99.23
Bell, Gouinlock & Co. (2 hours late)	100.65

Syndicate Offer Stock of Eastern Steel Products

An offering of $550,000 of the 7 per cent. cumulative prior preference shares of Eastern Steel Products, Ltd., is being made this week by Bankers Bond Co., and C. H. Burgess & Co., of Toronto, and Denman & Co., of Hamilton.

The business of Eastern Steel Products, Limited, was recently incorporated to take over and carry on the business of Metal Shingle and Siding Company with factories at Preston and Montreal, and the A. B. Ormsby Company with a factory at Toronto. The business has been in successful operation for more than thirty years, having grown from modest beginnings to its present proportions. The company employs approximately three hundred men, and has an annual turnover of about $2,500,000.

Details of the issue follow:

$550,000 Eastern Steel Products, Ltd.

7% Cumulative Prior Preference Shares

Company—Incorporated June, 1927, to take over Metal Shingle and Siding Co., and the A. B. Ormsby Co. Manufactures metal shingles, sidings and allied products.

Capital—	Authorized	Issued
Prior Preference Stock ($100 par value)	$750,000	$550,000
Second Preference Stock ($100 par value)	$300,000	$300,000
Common Stock (No par value)	100,000 shs.	35,500 shs.

Security—Prior Preference stock is first and senior security of company.

Earnings—Average earnings for the four years ending November 30, 1926, equalled $97,942, or approximately $17.80 per share. Earnings for the fiscal year 1926 were $155,560, equal to $28.28 per share as against $7 required.

Purpose of Issue—Proceeds will be used to acquire business of Metal Shingle and Siding Co. and the A. B. Ormsby Co.

Sales—Have increased steadily from year to year, and are estimated at $2,500,000 for 1927, as compared with $2,266,574 in 1926 and $2,006,385 in 1923.

Sinking Fund—10% of the net profits, after providing for prior preferred dividends each year, to be used in purchasing shares in the open market.

Callable—At 110 per cent.

Listing—Application will be made on Toronto Stock Exchange.

Offer—Bankers Bond Co., C. H. Burgess Co., and Denman & Co., at 100 and accrued dividend, with a bonus of one share of common stock with every two shares of preferred stock purchased.

Interlake Navigation Bonds Offered by Toronto Group

Interlake Transportation Co., 6 per cent., 10-year first mortgage bonds, to the extent of $200,000, are being offered by Dickson, Jolliffe & Co., and Stewart, Scully & Co.

This company was recently formed for the purpose of entering into the freight business of the Great Lakes and now has one boat in operation. Later on it is proposed to add to the fleet.

Details of the issue are:

$200,000

Interlake Transportation Company

6%, 10-year First Mortgage Sinking Fund Bonds

Dated Sept. 1, 1927. Due Sept. 1, 1937

Company.—Freight carriers on the Great Lakes.

Capital—

	Authorized	Outstanding
6%, 1st mtge. bds. (this issue)	$200,000	$200,000
Com. shs., no par value, sold for $5 shr.	60,000 shs.	40,000 shs.

Security.—First mortgage on steamer "Sand Merchant," which has been appraised at $425,000.

Sinking Fund.—$15,200 annually, or sufficient to retire the issue at maturity.

Insurance.—Insurance will be carried on the boat for $400,000, policies being assigned to trustees for the bondholders.

Contract.—Five-year contract has been entered into for delivery of sand and gravel to American ports, which will keep the boat busy during season of navigation.

Earnings.—Are estimated at $105,650, or nearly 9 times annual interest requirements.

Management.—Will be in hands of capable and experienced shipping men.

Offered.—Dickson, Jolliffe and Co., and Stewart, Scully and Co., at 99 and interest, yielding about 6.15 per cent.

Alberta Oil Company Offers Stock Through Montreal Firm

On issue of 130,000 common shares of the Sisterville Oil Co., of Calgary, is being offered this week by Geo. Beausoleil & Co., of Montreal.

This company was founded last April for the purpose of acquiring and developing petroleum and natural gas properties in Canada. Land has already been acquired in the Turner Valley field, and also in the Riverhurst district of Saskatchewan.

Details follow:

130,000 Common Shares

Sisterville Oil Company

Company.—Formed in April, 1927, to acquire and develop petroleum and natural gas properties.

Capital.—250,000 common shares of no par value.

Properties.—120 acres in Turner Valley field; 40 acres at Riverhurst, Sask.; and an option on additional Alberta properties.

Geology.—In opinion of experts oil should be found on company's properties at a depth of 3,500 to 4,000 feet.

Development.—Directors plan to undertake drilling of first well as soon as possible in the Alberta property, under direction of field expert.

Offered.—Geo. Beausoleil and Co., Montreal, at $1 a share.

Syndicate Sells Prussian State External Bonds in Canada

Harris, Forbes & Co., heads an American syndicate which is offering in Canada and the United States $30,000,000 6 per cent. bonds of the external loan of 1927 of the Free State of Prussia.

This is the first German loan to be offered in this country for some time. Proceeds of the issue will be used by the state for productive and revenue-producing purposes. About 68 per cent. of the proceeds will be used for the improvement of agriculture.

$30,000,000

Free State of Prussia 6 per cent. Sinking Fund Gold Bonds External Loan of 1927

Dated Oct. 15, 1927 Due Oct. 15, 1952

General.—These bonds are issued subject to certain prior rights of the Dawes Plan and London agreements.

State.—Prussia includes more than 60 per cent. of the total area and population of Germany. Its area is 1,331,701 square miles and its population, 1925, was 38,069,631.

Finances.—Funded and floating indebtedness of the State as of August 31, 1927, including revalued debt and $20,000,000 6½ per cent. external loan of 1926, was less than $66,000,000, a large part of which is to mature by 1930. Including present loan this is equivalent to a per capita debt of about $2.50, whereas the per capita wealth of the State was estimated in 1917 at about $1,000.

Budget.—For fiscal year ending March 31, 1928, is balanced at about $868,000,000.

Purpose.—Productive and revenue producing purposes. Most of the loan will be applied to improvement of agricultural industry.

Security.—Direct and unconditional obligation of the State of Prussia.

Offered.—Harris, Forbes and Co., Brown Brothers and Co., Equitable Trust Co., New York Trust Co., Mendelssohn and Co., Amsterdam, International Acceptance Bank, Inc., and J. Henry Schroder Banking Corp., at 96½ and interest, yielding about 6.28 per cent.

German Bank Mortgage Bonds Publicly Offered This Week

An issue of $10,000.000 mortgage secured bonds, series B, 6 per cent., of the Central Bank of German State and Provincial Banks. Inc., is being offered this week in the United States by a syndicate headed by Lee, Higginson & Co., and in Canada by Kerr, Fleming & Co.

This bank was organized in 1923 by various state, provincial and other banks owned and controlled by public bodies; one of its purposes is to simplify the raising of money for its members by issuing its own bonds and loaning the proceeds to them.

Particulars of the issue are subjoined:

$10,000,000

Central Bank of German State and Provincial Banks, Inc. Mortgage Secured Sinking Fund Bonds, Series B, 6 per cent.

Dated Oct. 1, 1927. Due Oct. 1, 1951.

Business.—Organized by various state, provincial and other banks controlled by public bodies in 1923.

Purpose of issue.—Proceeds will be loaned to 12 of the members banks and will be used by such banks solely in granting loans on mortgages on commercial or industrial property.

Security.—Direct obligation of the Central Bank secured by a pledge with the trustee in Germany of mortgages described above payable in terms of gold marks.

Guarantees.—Prompt payment of the bonds in gold dollars is guaranteed by the banks receiving the proceeds of this loan, each being liable in proportion in which sums are received.

Sinking Fund.—First payment in 1928, sufficient to retire all series B bonds on or before maturity.

Offered.—Lee, Higginson and Co., W. A. Harriman and Co., New York Trust Co., Kerr, Fleming and Co., at 95 and accrued interest, yielding over 6.40 per cent.

See New Ford in January

It is reported by Automotive Industries that the new Ford car will not be in production in the Canadian plant until January next. The car is expected to make its appearance in the United States late in November or December.

Tenders and By-laws

Oct. 24—Corporation of the town of Greenfield Park—$95,000, 5½% serial bonds. E. J. Allwright, sec.-treas.

Oct. 19—Town of Laval sur le Lac—$17,300, 5%, 15-year, serial debentures. Horace Gohier, sec.-treas.

Nov. 12, Township of Osnabruck—$7,458, 5%, 20-year debentures. Willis O. Sheets, clerk. (See announcement on page 16).

Oct. 20, Newfoundland — $5,000,000, 5 per cent. bonds due 1952. John C. Crosbie, Minister of Finance, St. John's.

Oct. 15, Village of Woodbridge—$6,900, 5½ per cent, 30-year debentures. F. W. Brown, clerk and treasurer.

Oct. 26, City of Salabery de Valleyfield, P.Q.—$50,000, 5 per cent. serial debentures. L. Jos. Boyer, Clerk.

Oct. 25, City of Riviere du Loup, P.Q.—$100,500, 40-year, 5 per cent. debentures. J. Lebel, sec.-treas.

Oct. 25, Town of Jonquieres, P.Q.—$29,000, 30-year, 5½ per cent. bonds. J. M. Lacroix, clerk.

Oct. 24, School Municipality of the Town of Pointe Claire, P.Q.—$50,000, 30-year, 5 per cent. debentures. J. E. Daoust, clerk.

Oct. 31, School Commissioners of the City of Cap de la Madeleine, P.Q.—$120,000, 25-year, 5 per cent. debentures. J. O. Loranger, sec.-treas.

BOND MOVEMENT OF THE WEEK

Week Ending October 11

Bonds	Int. Rate	Due	Yield	Range High	1926 Low	Range 1927 High	Range 1927 Low	Ask	Latest Price Bid	Latest Price High	Low
Asbestos, gen. mtge.	6	1956	6.29	88¾	81¼	97⅞	88	96	95⅞	96	95½
Do., 1st mtge.	6	1941	5.91	101⅜	98¼	102	92¼	102	101	100¾	.....
Canada Bread	6	1941	5.31	106	104	107	105	.....	107	107	.....
Can. Canners	6	1950	6.00	100	94	100½	96½	.....	100	100	.....
Dom. Iron	5	1929	10.24	94	86	92	69	86	.....	86¾	86
Mexican Elec.	5	1942	8.45	61½	52	70⅛	60	.....	71	70⅛	70
Mexican Power	5	1940	7.71	71	67	80⅛	68⅝	78	77	77	.....
Montreal Trams "A"	5	1955	5.20	95	92½	97⅛	94¼	97¼	.....	97	96½
Do., 1st mtge.	5	1941	5.00	98½	93	100	97⅞	.....	99⅝	100	.....
Quebec Rly.	5	1939	4.90	100	92	100⅞	96	.....	100¾	100¾	.....
Porto Rico Rly.	5	1936	6.36	89¾	89	92	90	.....	90½	90	.....
Wayagamack	6	1951	6.00	100⅝	90	101	97	101	100¾	100	.....
War Loan	5	1931	4.45	102.40	100.35	102.00	100.75	102.10	101.85	101.80	101.10
Do.	5	1937	4.42	104.95	102.75	105.90	102.95	105.50	105.00	105.90	105.60
Victory Loan	5½	1927	4.75	102.50	100.15	101.70	99.85	100.25	100.10	100.10	99.90
Do.	5½	1933	4.50	106.35	103.20	105.75	105.25	105.75	105.60	105.75	105.45
Do.	5½	1934	4.90	104.40	102.65	103.90	103.30	103.90	103.75	103.90	103.70
Do.	5½	1937	4.45	109.30	106.70	109.70	106.85	109.50	109.25	109.70	109.35
Do., renewal	5½	1927	4.75	101.95	100.00	100.80	99.90	100.15	100.00	.....	.....
Do., renewal	5½	1932	4.80	103.90	102.00	103.55	101.85	103.10	102.90	103.10	102.70
Do, refund	5	1928	4.60	101.35	99.85	101.45	99.75	100.25	100.15	100.00	.....
Do., refund	4½	1940	4.56	96.95	95.60	100.15	96.50	99.40	99.15	99.15	98.90
Do., refund	5	1943	4.65	102.80	101.00	103.90	102.30	103.75	103.55	105.80	103.60
Do., refund	4½	1944	4.53	97.15	95.70	100.10	96.60	99.45	99.30	.....	.....
Do., refund	4½	1946	4.54	96.90	95.65	100.30	96.70	99.60	99.35	99.35	99.30

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Toronto Separate Schools	Oct.	Gairdner & Co.	5%	20-yr.	$100,000	100.579	4.96
District of Point Grey.	Sept.	Wood, Gundy & Co., and Pemberton & Sons	5%	10 to 30 yrs.	747,000	99.60	5.05

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Bond Issues—							
Metropolitan Corp. of Canada	Oct.	Greenshields & Co., and Syndicate	6%	1947	$1,100,000	99	6.05
Murray Bay Paper	Oct.	Royal Securities Corp. and Peabody, Smith & Co.	6½%	1947	2,000,000	100	6½%
Central Bank of German State of Prov. Banks	Oct.	Kerr, Flemming, Lee Higginson and U. S. Syndicate	6%	1951	10,000,000	95	6.40
United States of Brazil	Oct.	Dominion Securities Corp.	6½%	1957	41,500,000	92½	7.10
Free State of Prussia	Oct.	Harris, Forbes & Co., and syndicate	6%	1952	30,000,000	96½	6.28
Interlake Navigation	Oct.	Dickson, Joliffe & Co. and Stewart, Scully	6%	10-yr.	200,000	99	6.15
Stock Issues—							
Can. Vickers	Oct.	Drury & Co., and Syndicate	7%	Pref.	$1,700,000	100	7%
		(With	bonus	of 2½ com. shs.	with each	10 shs.	pref.)
Eastern Steel Products	Oct.	Bankers Bond Co., and Syndicate	7%	Pref.	550,000	100	7%
		(With	bonus	of 1 sh. com.	with every	2 shs.	pref.)
Sisterville Oil Co.	Oct.	Geo. Beausoleil & Co.	Com.	no par	250,000 shs.	$1	—
J. Nelson Day	Oct.	F. H. Blakely & Co.	7%	Pref.	$60,000	100	—
		(With	bonus	of 1 sh. com.	with eacr	4 pref.	shs.)
National Distilleries	Oct.	Housser, Wood & Co., and H.B. Robinson & Co.	...	....	33,750 shs.	$20	..
Participating Invest. Share Corp.	Oct.	Nelson S. Gustin, New York	Trust Shares		......	$86	..

Another Canadian Bank Stock Company Offers Shares in U.S.

Attraction of bank stocks for investment trust purposes has resulted in the formation of another New York state company, known as the Participating Investors Shares Corp., shares of which are being publicly offered by Nelson S. Gustin Co., of New York City.

Unlike the previous two bank stock companies, this one will deal in American bank stocks as well. The corporation starts off with shares of thirty banks, two of which are in Canada.

Details of the issue follow:

Participating Investors Shares Corp. Bank Stock Trust Shares Series "A"

Company.—Formed to deal in United States and Canadian bank stocks on the basis of an investment trust.

Offering.—This offering has an original underlying collateral, of one share of each of some 30 leading Canadian and American bank and trust companies. The trustee issues 200 participating stock trust shares, Series "A" against each unit deposited.

Earnings of Management. — Corporation's sole compensation shall consist of a commission or charge (not to exceed 10 per cent.) of the cost of the stocks purchased for the Trust. Furthermore, the Corporation shall receive no compensation for stocks held for the Trust.

Reserve Fund.—Will be created from all profits accruing from the sale of any stocks in the Trust. Profits of the Reserve shall be invested and investment income paid the shareholders. All income and profit from the Trust shall be paid in dividends to the shareholders.

Annual Statement.—Trust deed provides that statement containing the list of the bank and trust companies comprising the underlying collateral of the Corporation shall be sent to shareholders once each year.

Offered.—Nelson S. Gustin Co., New York at $86 per share.

Port Alfred Bond Meets Shareholders' Approval

From Our Own Correspondent

MONTREAL.—A total of $35,000,000 of bonds was authorized, and an issue of $14,999,667 approved by the shareholders of the Port Alfred Pulp and Paper Corporation at a special general meeting of the shareholders held in Montreal this week.

The $14,999,667 issue was offered some time ago, of this amount £1,000,000 was placed on the London market, and the balance, $10,133,000 was offered in Montreal, Toronto and New York.

The meeting ratified a proposal previously approved by the directors relating to the borrowing powers of the corporation, the creation and issue from time to time of bonds, debentures or other securities of the corporation, and the securing of the same by mortgage or otherwise.

Unlisted Bonds

	Bid	Asked
Abitibi Fibre, 6s, 1947	97	98
Abitibi P. & P. 6s, 1940	104½	105¼
Algoma Steel 5s, 1962	33¼	34¼
Alberta Pac. Grain, 6s, 1946	98	99
Bell Telephone 5s, 1955	102	102½
Belgo Can. Paper, 6s, 1943	102	102½
Brandram-Henderson, 6s, 1936	96¾	98½
B. C. Pulp & Paper 6s, 1950	85	89
Brompton P. & P. 6s, 1946	99½	101
Burns, P. & Co., 6½s, 1943	102½	104
Calgary Brewery 5s, 1942	93½	94⅜
Calgary Power 5s, 1940	92¾	93¼
Canada Biscuit, 6½s, 1946	101¼	102
Canada Lt. & Pr. 5s, 1949	93¼	94
Can. Nor. Power 6s, 1941	101¼	102
Can. Paperboard 7s, 1937	98½	101
Can. Steamships 5s, 1943	99¼	99¾
Can. Steamships 6s, 1941	99⅝	100⅛
Can. Steel Foundries, 6s, 1936	**105¾**	**107**
Davies, Wm., 6s, 1942	93½	94½
Dominion Iron 5s, 1939	33	34½
Dominion Pr. and Tr. 5s, 1932	97¾	98½
Drummond Invest. 6½s, 1938	98¾	99½
Duke Price 6s, 1966	105¼	105¾
East Kootenay Pr. 7s, 1942	103¾	104½
Elec. Development 5s, 1933	100⅜	101⅛
Famous Players 6½s, 1943	**99**	**100**
Fraser Co. 6s, 1950	100	101
Gatineau Power 5s, 1956	97½	98
Gatineau Power 6s, 1941	100⅞	101⅜
Howard Smith P. & P. 6s, 1941	104	104⅜
International Paper 6s, 1941	102½	105
King Edward Hotel 7s, 1944	92	95
Lake Superior P. & P. 6s, 1941	105¾	106½
Laurentian Pr. 6s. 1936	103¾	105
Laurentide Pr., 5½s, 1946	101½	102½
Maritime Tel. & Tel. 6s, 1941	**104½**	**105¾**
Manitoba Pr. 5½s, 1951	101¼	101⅞
Mercury Mills 6½s, 1942	102	103
Mont. L. H., & P. 5s, 1951	100½	101
Mont. Pub. Service 5s, 1942	99	99¾
Nor. Ont. L. & P. 6s, 1946	101½	101⅜
Nor. West Utilities 7s, 1938	99¾	100½
Nova Scotia Steel 5s, 1959	**63**	**69**
Nova Scotia 6% Debs.	28	32
Nova Scotia Tram. 5s, 1946	93	94
Nova Scotia Tram. 7s, 1952	100	101
Ont. Pulp & Paper 6s, 1931	108¾	110
Ottawa Hull Pr. 6s, 1948	103⅝	104⅜
Ottawa L., H. & P. 6s, 1953	104½	105¾
Ottawa Mont. Pr. 6½s, 1949	103¼	104
Ottawa Trac. 5½s. 1955	101½	102¼
Ottaw River Pr. 6½s, 1953	102¼	103
Port Alfred P. & P., 6½s, 1943	104	105
Price Bros. 6s, 1943	104½	105¼
Prov. Lt. Pr. 5s, 1946	100½	101½
Rio Tramways 5s, 1935	96⅛	96½
Sao Paulo Tram. 5s, 1929	98	98½
St. Lawrence Paper 6s, 1946	96⅞	97⅝
St. Maurice Valley 6s, 1945	100	101
St. Maurice Pr. 6½s, 1953	107¼	108
Shawinigan W. & P. 6s, 1950	104¾	106
Simpson's, Ltd., 6½s, 1945	103	104
Southern Can. Pr. 5s, 1955	99¼	99⅞
Spanish River P. & P. 8s, 1941	106¾	107½
West Kootenay Pr. 6s, 1943	103¾	104⅜

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Canadian Brewing Earns Nearly $4 Share

Canadian Brewing Corp. shares have been stronger recently on reports that the company was earning in the neighborhood of $4 the share on the stock.

Canadian Brewing Corp. is a merger of three breweries in Hamilton and Toronto which had long and successful histories before prohibition. The stock was issued under the sponsorship of Montreal and Toronto investment houses and is said to be in strong hands.

It is believed that breweries in centers of population are doing very well under the provincial prohibition laws which permit either drinking in beer parlors or delivery to homes direct from warehouses. Sales in Ontario centers are reported to have increased since the modification of the regulations which facilitated the deliveries of legally brewed beverages to consumers.

PROPOSAL TO BUY NORTHERN BAKERIES IS NOT REJECTED

(Continued from page 1)

the previous year. The present company has been in control about eighteen weeks. The best period for which figures are available is the latest—the seven-week period from July 10. It is said that the later period apparently will show a similar improvement over last year, although bakeries normally can expect a drop in bread consumption with the ending of the picnic season.

The prospectus of Northern Bakeries showed earnings of only $1.61 the share. It is now apparent that earnings in the first year of new control will be in excess of $3.

Expands Out of Earnings

One of the favorable factors concerning this company is that 98½ per cent. of its business is direct with the consumer. More than 400 wagons are in daily service in Montreal. The cake business of the company is said also to be growing.

The cash position of the company has been shown to be excellent, with the company owing no money whatsoever except the current trade bills. A new building in North Toronto and some other capital expenditures have been met out of earnings.

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"One Arm" Sutton Plans Railway to Peace River and Sets All B.C. Agog

"What Will He Do Next?" Answered by His Promise to Build P.G.E. Extension with British Capital

By CHARLES L. SHAW.

LIKE a fresh breeze from the Far East General Frank S. "One Arm" Sutton has blown into British Columbia from across the Pacific and in financial circles out there he is already something of a sensation.

But being a sensation is merely part of the day's work with Frank Sutton, ever since he deserted the playing fields of Eton. Since then he has mined in the Argentine and Siberia, fought at Gallipoli, led a Chinese army in battle and scores of other things hardly less dramatic, such as winning a quarter of a million dollars in the celebrated Shanghai sweep.

Did Prospecting by Aeroplane

Now the general has transferred his affiliations to British Columbia, and he is maintaining the Sutton tradition. One of the first things he did after reaching Vancouver was purchase a Fokker airplane and go scouting for mineral claims. He bought a mine and laid plans for working it with a dredger—an extremely costly proposition, but he said that "it would be fun anyway." Then he bought a big cattle ranch in the interior because it would be "a nice place to go hunting now and then." A few weeks later he bought one of Vancouver's biggest business blocks for a cool million. Coast financial circles began to talk about the general, wonder what he would do next. And now he has done it — one of the most amazing things that a single individual could probably do in British Columbia right now, and in the typical Sutton fashion: He proposes to build a railroad into the Peace River country, to tap the vast agricultural paradise there and by linking it with the Pacific Great Eastern Railway, make the grain fields of the northland easily accessible to Vancouver.

The general made his announcement quite casually. "This Peace River railroad has been like the weather," he remarked. "Everyone talks about it but no one does anything. Well, I think something should be done and I'm going to do it."

After British Capital

The general will soon be on his way to England, where he says that he will find a sufficient number of kindred spirits to finance the project. And those who remember some of Sutton's previous exploits know that he is something more than a shoestring promoter. For Sutton has handled millions and, in his own words, has more money than he knows what to do with.

"The wheat crop of the Peace River area is now being carried to Fort William, a distance of over 1,500 miles," said the general, explaining his latest venture. "How much more easily could the crop be hauled to Vancouver! Everyone will benefit. Vancouver will receive and market the crop, the P. G. E. will become a going concern and Edmonton will profit from the sale of farm machinery. The growers themselves will benefit tremendously by the reduced cost of transportation and the reduction of the distance now separating them from the important markets."

Before going to Great Britain the general will haul his Fokker out of its hangar and proceed on an exploring flight into the Peace River country, where with the aid of other experts—he is a railway engineer himself by profession — he will tentatively plot the route of the proposed railroad.

Not After Political Honors

It is all a rather bewildering record for a man who has been in British Columbia only a few months and whose name was only known to a very few prior to his coming. No wonder that he is somewhat of an enigma; no wonder that coast businessmen are scratching their heads and marveling at the dynamic activity of this stranger. "At this rate he'll be premier of B. C. within a year," remarked one observer with a smile when his P.G.E. enterprise was announced.

However, Sutton does not covet political honors. He is an engineer first and a man of business afterwards and in both pursuits he has attained astonishing success. And yet eight years ago he was an all but penniless British army officer casting about for a decent job.

GEN. FRANK SUTTON

Anyone who has accomplished even a fraction of the things that Sutton has, who has been through such experiences as he can recall, must have a rather extraordinary personality. Yet he is in no sense a cold-blooded, heartless titan. On the contrary, one must search far for a more easily approachable, more genial young man. He is only 43.

He is a giant in stature, radiating virility and optimism. And who wouldn't be optimistic with Sutton's luck? For Sutton has been amazingly lucky and he is the first to admit it. Why, take that affair of the Shanghai sweepstake for instance. He didn't even buy his own ticket. He was a member of the Mukden club at the time. The secretary of the club was having some difficulty in disposing of the last ticket. He grumbled that he couldn't buy it himself because of temporary lack of funds.

"Oh, put it down to Sutton," someone suggested. "He'll stand for it."

So the secretary put it down to Sutton, and Sutton won his quarter of a million.

Sutton was graduated at the London Engineering College and practised his profession in Argentina and then in Mexico as an associate of Lord Cowdray in the oil fields. The "military bug" got him and he became a cavalry officer under Madera, but that didn't last long for the Great War broke out and Sutton imagined that probably there was more doing in other fields of battle.

Siberia and China

So he went back to England, joined the famous 29th Division and was sent off to Gallipoli. His good luck stayed with him until one night he leapt forward to bury a Turkish hand grenade and lost his right arm in the attempt. He was invalided home, but his mind was on the business of war and he proceeded to perfect a trench mortar which became one of the favorites of the Allies' armies in the field. When peace came he found his opportunities woefully restricted in the Old Country. He scanned the farthest horizon and set off for Siberia with a mining dredge and $300,000 worth of cargo.

There followed months of adventure, during which he found opposition of Soviet agents too strong for him. He sold a lot of his equipment at rates surprisingly high even to himself and moved to China, where the torch of civil war was aflame. The smoke of battle intrigued him again and he offered to manufacture artillery for Wu Pei Fu. General Wu was amazed at the suggestion. He would have agreed to letting "the mad Englishman" make muzzle loaders and spears for him, but artillery! Nonsense! War wasn't waged that way in China, and so Sutton moved over to the camp of Chang Tso Lin, the Manchurian war lord, was given a job as advisor at $75,000 a year and proceeded to provide the arms that defeated the old-fashioned militarist who a few months before had refused them. He manufactured nearly a thousand mortars and a million shells—a feat of war undreamed of in China's best military circles. With these shells the Great Wall of China was battered away and General Wu was given one of the worst trouncings in his career.

Not Going Back to China

But General Sutton says he is through with China—for the present, anyway. Life is much too uncertain there and he says that the fortune which he made there was gained at the risk of death. He is still a soldier of fortune at heart, loves taking risks and all that sort of thing, but he thought that he was asking too much of the Goddess of Luck to spare him much longer. In British Columbia, whatever happens, he feels reasonably safe, so far as his person is concerned. He once had to fight his way past a regiment of infuriated Chinese soldiery by hurling an oil lamp at a general and shooting like a two-gun outlaw, and with only one good arm he found that sort of thing rather too inconvenient for frequent repetition.

And so now, having been lucky and successful in the arts of war, Sutton is determined to make good in the arts of peace, and out in B. C. he believes that he has a mighty good chance of winning. It is a safe bet that during the years to come Canada will hear a good deal about this one-armed soldier of fortune who proposes to add to his many accomplishments that of railroad building.

But only this much is certain; if he is not a colossal failure he will be a great success.

Lethbridge Turns Down Commission Government

By Staff Editor

LETHBRIDGE.—After 14 years of commission form of government, the citizens of Lethbridge repudiated the present city charter by an overwhelming majority when they voted in favor of the appointment of city government by an elective council and an appointed city manager, similar to the system now in vogue in Brandon.

There had been no speaking campaign in connection with the plebiscite and very little organization. It was the vote of the people, who voted as they thought, without any prejudice being aroused on either side.

The general feeling of the electors seemed to be that, for a city of 12,000 people, the present form of government was too expensive and too cumbersome.

It was also felt that the election of paid administrators for terms of three years each did not allow for the flexibility of city government, which is needed in a progressive western city.

CPTC

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Electricity has given to every town a "Great White Way" that the world's gayest cities could not have boasted a few decades ago.

Electricity has multiplied man's power to produce and earn. Instead of incessant slavery to produce the necessities of life, mankind now has time and energy to create and enjoy pleasures and luxuries.

Electricity has enabled great industries to grow in Canada—to develop the boundless resources of this country. It is the key that is unlocking the treasure house of Nature, making Canada potentially the wealthiest nation in the world.

Without electricity, our national possibilities would have lain dormant—our industries could not have prospered—our strong, young cities could not have reared their heads above the forest and the plain.

Electricity has been developed in Canada, as in no other country in the world. In the manufacture of equipment for its generation, transmission and utilization, the Canadian General Electric Company has been privileged to further the development and use of electricity — the builder of Canadian cities, the servant of Canadian industry.

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CLAIMS UTILITIES COMMISSION NOW EXISTS ON COAST

But Power Companies Will Fight Interpretation of Law

From Our Own Correspondent.

VANCOUVER.—Has British Columbia already got a public utilities commission after all?

The question has been revived by F. A. McDiarmid, prominent authority on municipal law, who claims that under an amendment to the British Columbia Water Act, passed in 1925, the government already has authority to name a board of arbitration which may function in waterpower disputes with practically the same authority as a separately organized and permanent public utilities commission.

McDiarmid's contention is regarded with lively interest by representatives of the big power companies operating in this province as well as by municipal and governmental authorities who foresee that, if the claim is upheld, the whole situation regarding the relationship of power companies to the municipalities will be re-opened. The situation is regarded as loaded with political dynamite and important results may follow a test of the McDiarmid argument.

Comes Up at Grand Forks

Mr. McDiarmid advanced his theory on behalf of the Grand Forks municipal council which at present is deadlocked with the West Kootenay Light & Power in a controversy over rates. Mr. McDiarmid is calling upon the provincial water board, which is the administrative wing of the provincial government in such matters, to adjudicate on the power rate dispute.

The 1925 amendment gives the board power to control "the carriage, supply or use of water or power generated from flowing or following water." This, according to Mr. McDiarmid, makes the board of investigation under the Water Act a full and complete public utilities commission so far as electric light plants are concerned.

Expect Companies Fight

"I do not know what attitude the board will take, but if it should be unwilling to entertain its jurisdiction I shall move for a mandatory injunction asking that the West Kootenay Light & Power Company file its tariff and that the board of investigation adjudicate it."

Power companies are expected to put up a strong fight to the claim that British Columbia has in fact a public utilities commission with power to control hydro-electric concerns. Some years ago the appointment of such a commission was dealt with in the provincial legislature and after a bitter controversy the project was shelved.

Hunt's Expand Operations by Adding Two Stores to Chain

Two new stores have been opened in Toronto by Hunt's, Limited. One of the stores will be located on Danforth Avenue near Pape, and the other at 141 Yonge Street in the down-town district.

Up until now, increase in the number of stores by Hunt's has been limited by the fact that the company's factory has been running to capacity to supply the present stores, of which there are 18 located in Toronto and Hamilton. In about a month, however, extensions in the factory, which have been under way for some time, will be completed, and the additional factory capacity made available will enable the company to proceed aggressively with the extension of its system of retail stores. The enlargement of the factory which will enable operations generally to be conducted on a much larger scale than heretofore, will substantially reduce overhead expenses.

Sales are showing a healthy increase and for the first eight months of this year are said to be well over 15 per cent. in excess of those for the corresponding period last year.

Dominion Iron and Steel Co. Will Have Busy Season

From Our Own Correspondent

MONTREAL.—With prospects of more work in sight than at any period since the war, the Dominion Iron and Steel Corporation is looking forward to a marked improvement in its operations and earnings during the coming year. The rail mill at the company's Sydney, Nova Scotia, plant is now engaged in rolling 8,000 tons of rails for India. A further large order of 20,000 tons for the Canadian National Railways is to be completed and other orders are in sight. The company has some 23,000 men engaged in the plant at present and has during the past few weeks expended some $35,000 on equipment.

Business in Newfoundland

Improvement Unexpected Until Industry and Taxes Adjusted

A Quarterly Feature of The Financial Post

ST. JOHN'S, Nfld.—Business conditions on the Island during the third quarter of the current year have been anything but bright, but from now until this season's catch of fish has been marketed more activity will be in evidence.

Although industrial activity has been more prominent in recent years, the economic welfare of the country still depends upon the fishing industry. While the quantity of fish caught this year is likely to be in excess of the catch for 1926, prices are so low and the cost of production so high that the fishermen will do little more than pay for their supplies and it is likely that the Labrador men will be unable to do that.

Fish production in Labrador has been greater than last year, but prevailing prices in foreign markets are very disappointing and an improvement is not looked for. Low prices have been caused by the large carryover of last year's cure in Europe, and Iceland, which competes with the Labrador cure, had a heavy catch this year.

Fishing Results Varied

Bank fishing has been about the same this year. Fog has greatly hampered operations, which has not only reduced the size of the catch but has resulted in a considerable quantity of low grade fish.

Shore fishing has resulted in a good, average catch. Conditions, however, have not been favorable for curing, while fog hampered operations on the south coast. On the eastern coast bright sunshine, without cooling breezes, has resulted in a good deal of the fish being sunburnt.

Markets for the Newfoundland and Labrador fish catch have been favorable, on the whole, although competition has been increasingly severe. At present prices are strong in Oporto. Stocks on hand are fairly heavy, but consumption has been good. The exchange situation, however, is not conducive to free movement of merchandise and sales have been somewhat retarded. Spain reports a good demand for shore fish and price is likely to remain at a fairly good figure for good quality of fish. Prices for fish in Italy remain about the same as they were a year ago, while Brazil reports a strong market and good volume of sales.

Production of common cod oil is not as large as last year, as more of the livers are being manufactured. Twenty-five per cent. increase in production of refined codliver oil has taken place, as several American concerns are interested and keen competition is stimulating production.

The salmon industry has been developed largely by the Hudson's Bay Co. Last year this company exported about 15,000 cases of fresh frozen, while this year shipments totaled 20,000 cases. The catch was a little less than last year, but demand being better exports increased.

Paper Agreement Ratified

During the last session of the legislature an agreement was ratified with the International Paper Co., whereby that company took over the plant of the Newfoundland Power and Paper Co., at Corner Brook and it was part of the agreement that the production of paper would be increased from 400 tons daily to 600 tons daily by 1933. The same company have also purchased the Gander property from the Reids and a 200-ton paper mill will be erected on that property by 1933, so that it is expected a great development will take place in the pulp and paper industry in this country within the next few years.

Mining Active

Mining has been active during the past few months. Ore mined at Bell Island during July and August totaled 212,925 tons and shipments for the same period were 444,683 tons, as compared with 133,427 tons and 264,281 tons, in the corresponding period of 1926. About three-quarters of exports were sent to Germany and the remainder principally to Nova Scotia.

Other mining properties on the Island are being experimented with, particularly coal deposits at St. George's. The development of the lead and zinc mine at Buchans by the American Smelters and Refiners in conjunction with the A. N. D. Co. is being proceeded with and it is understood they have 2,000 men employed. It is fully expected that this will develop into one of the largest industrial centres in the Dominion.

Agricultural production this year has been well up to the average. Hay and cabbage are excellent crops all over the country, while potatoes and turnips are above average. Exportation of partridge berries will probably exceed the quantity shipped last year by approximately 5,000 barrels. The warm weather has been conducive to ripening and the berries are more plentiful than they were in 1926.

An experiment is being tried this year in exporting frozen blueberries to the United States and about 50,000 gallons have been contracted for. It is quite possible that partridge berries will be shipped in the same way and if so will put into circulation some cash that otherwise would not be available.

Tourist Trade Promising

Efforts of the Tourist Bureau and other agencies have been successful in inducing a larger number of tourists to the country this summer than ever before and the Nurness Withy and Red Cross steamships have been filled to capacity practically every trip. Excellent weather has prevailed all summer, but the fishing has been disappointing owing to the lack of water in salmon pools. The building of highways has been discontinued this year owing to lack of money, but most of the principal centres in the Avalon Peninsula have been linked up with good results. More attention is now being given to hotel accommodation in the principal outport summer resorts and there is every indication that the tourist traffic in this country will develop to substantial proportions in the next few years.

Local factories have been busy on account of fall orders. Collections are slow, however, and business generally quieter than last year. Importers are keeping their stocks low owing to falling prices in foreign fish markets. The fishermen will be unable to put away any money, even with additional production, although with increased activity in the pulp and paper industry they will be able to find employment after the fishing season is over.

Taking everything into consideration, there seems to be little hope of an improvement of conditions in this country until the industrial development now in prospect is an accomplished fact, and the citizens are able to get a reduction in taxation.

Forecast Larger Cut

FREDERICTON.—The forecast for lumbering in New Brunswick during the logging season of 1927-28 just opening is that the total cut on both Crown Lands and granted lands will be somewhat larger than it was last winter when the cut was 60,000,000 feet. Much of this year's cut will be for pulpwood.

Help Your Employees To Produce More

GIVE your employees all the telephones they need, with freedom to use them, and they will be able to produce more. All any good man requires to increase his output is the right machine and freedom to use it. Modern business is based on making man power much more productive by placing it in charge of machinery.

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23

NEW ISSUE

$2,000,000

Murray Bay Paper Company, Ltd.

6½% First Mortgage 20-Year Sinking Fund Gold Bonds

To be dated October 1, 1927, maturing October 1, 1947. Principal and semi-annual interest (April 1 and October 1) payable at The Royal Bank of Canada, Montreal, Toronto, Halifax, Saint John, Winnipeg, Edmonton, Regina or Vancouver, or, at the option of the holder, at The Chase National Bank of the City of New York, New York. Coupon Bonds, denominations $1,000 and $500, with privilege of registration as to principal. Redeemable at the Company's option in whole or in part on any interest date, on sixty days' notice, at par and accrued interest, plus a premium of 5% if redeemed on or before April 1, 1929, such premium decreasing thereafter ½ of 1% each two years until maturity. Trustee: Montreal Trust Company.

CAPITALIZATION
(Upon completion of present financing)

	Authorized	Outstanding
First Mortgage Bonds (this issue)	$2,000,000	$2,000,000
7% Cumulative Preference Shares	2,000,000	1,250,000
Common Shares (no par value)	50,000 shares	50,000 shares

Descriptive circular, copies of which will be supplied upon request, contains a letter from Mr. George H. Mead, Chairman of the Board of the Murray Bay Paper Company, Ltd., from which the following is summarized:—

THE COMPANY: The Murray Bay Paper Company, Ltd., is incorporated under the laws of the Province of Quebec for the purpose of manufacturing pulp and paper It is now constructing a paper mill with a rated capacity of 120 tons per day of newsprint paper which it is expected will be in complete operation early in the Spring of 1928. The Company has acquired wood cutting rights on Crown limits; lease of a going, modern groundwood pulp mill of 130 tons daily capacity, having its own hydraulic development with an installed capacity of 8,450 horse power; a contract for electric power, running well beyond the maturity of these Bonds and ample in amount for the operation of the entire plant; and a contract for sulphite pulp with Ste. Anne Paper Company, Ltd., which Company is controlled by the same interests.

ASSETS: The value of the Company's assets, after giving effect to this financing, and upon completion of its paper mill, is conservatively estimated as follows:

Electric Power Contract, Wood Cutting Rights, and Pulp Mill and Water Power Leases	$1,550,000
Paper Mill	2,500,000
Working Capital	500,000
Total	$4,550,000

EARNINGS: Upon completion of the newsprint plant, now under construction, it is conservatively estimated that the net earnings of the Company, based upon present price of newsprint paper, will be not less than $565,000 per annum available for depreciation and interest on these Bonds. These estimated earnings are over 4¼ times the maximum annual charge of $130,000 on these Bonds.

SINKING FUND: The Trust Deed will provide for annual sinking fund payments commencing January 1, 1930, estimated to be sufficient to retire at par all of the Company's Bonds at or prior to maturity.

OWNERSHIP AND CONTROL: The Company's Common Shares will be owned by a group comprising Abitibi Power & Paper Company, Limited, Spanish River Pulp & Paper Mills, Limited, Mead Investment Company of Dayton, Ohio, and other interests prominent in the Canadian newsprint industry.

As a result of this ownership, the Company will be operated under the direction of principals having large financial resources, and who have taken a leading part in the development of the paper industry in Canada and the United States.

The production of the Company's mills will be marketed under contract of sale with the Canadian Newsprint Company, Limited, of Montreal, the largest distributor of newsprint paper in the world.

SECURITY: These Bonds will be secured by a Trust Deed of Hypothec, Mortgage and Pledge constituting, in the opinion of Counsel, a first hypothec, mortgage and charge on all of the Company's assets, present and future, specific as to real estate, plants, buildings, equipment and other fixed assets, which, upon completion of the pulp and paper mills, will have a value conservatively estimated at $4,050,000, and a floating charge as to all other assets. All leases and cutting rights will be assigned to and deposited with the Mortgage Trustee as security for these Bonds.

We offer these Bonds for delivery if, as and when issued and received by us and subject to approval by our counsel of all proceedings at—

100 and accrued interest, to yield 6½%

Royal Securities Corporation, Limited

Peabody, Smith & Co., Inc.

The above statements are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

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W. IRWIN HASKETT, 12 Elgin Street, Ottawa, Canada
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Five years is the usual term of a mortgage. "Canada Permanent" Coupon Bonds are issued for the same period, bearing interest at

FIVE PER CENT.

per annum, payable half-yearly.

Investors in these Bonds receive their interest the day it is due. Those who, to obtain a slightly higher rate, lend on mortgage security not only cannot be sure of prompt payment of interest, but have to see that buildings are kept insured, taxes paid and attend to many other details the omission of which might jeopardize their investment.

Please let us send you full particulars of "Canada Permanent" Bonds which are a recognized high-grade security and a legal investment for Trust Funds.

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Grain Company Merger Would be Independents' Answer to Pool Growth

Group in Winnipeg Attempts to Bring Majority of Larger Grain Companies into One Organization

By G. C. PORTER.

WINNIPEG.—If a projected amalgamation of private grain trade on the prairies is consummated, on anything like the scale rumor insists is being attempted, it will prove the dominating factor in the Canadian industry. One hundred million dollars is declared to be the approximate value of the various companies physical assets on the prairies and at the terminals.

For two months the plan has been quietly developing. It is being promoted by Eastern interests, according to unofficial reports and is economic in purpose. The elimination of millions now represented by the multiplicity of administration of the numerous competing organizations is the object that appeals to many who have been consulted. If the plan outlined by casual reports goes through, it means a straight sale to the merger will follow. Payment contemplated is not in stock but cash. A stock issue may follow.

Would Include Majority

The tentative plan contemplates at least 2,500 country elevators being under the amalgamation management. This is more than one half the number of rural elevators on the prairies. Approximately there are 4,800 elevators located at rural points in the three prairie provinces. Of these the Consolidated Pool owns or controls 850. Some of the big line companies have as many as 250 and the smaller ones 25 to 50.

In fact, the proposed merger is one of the answers to economy introduced by the pool's activity in acquiring storage and elevator facilities at different points. The consolidated interests are annually getting aside from earnings a fund to buy or acquire more elevators. At present, this fund amounts to some $1,600,000. Most of the pool elevators were acquired in the absorption of the Saskatchewan Co-operative Elevator Company interests.

But it is now economic to haul grain from the farm further than fourteen miles. There are many places on the prairies where grain must be hauled twice that distance to reach an elevator. Farmers isolated in this way must resort to railroad sidings to get their grain into cars. This is a very expensive process as it must be unloaded by hand. This process also ties up much rolling stock for the railroads.

Increase Facilities

It is expected that if the amalgamation of a large percentage of the private grain companies become effective that they will increase their facilities for giving the grain growers service all over the prairies. For instance, in the Peace River country, this year, 20,000,000 bushels of wheat and as much more in barley, oats and rye have been harvested. There are very few elevators in that vast territory to handle this production. It must be largely loaded from wagons by hand. Hauling from 15 to 30 miles, this means from five to seven days must elapse from the time a car is "spotted" at a loading platform before it is ready for moving.

To get the Peace River crop to terminals means, by this slow method, the holding of a hundred thousand box cars for almost an indefinite period. This is an economic problem the transportation companies cannot meet. The country elevator will change all of this. The time of moving a car on the prairies to tide water at Vancouver or the lake head, averages seven days. The trains move at express speed. Doubling the country elevator capacity means doubling the efficiency of the railroads in getting the crop to the terminals.

Traffic Grows

In this, the amalgamation is expected to employ increased capital on an economic basis to serve the grain producers of the Northwest. This year's production represents on the prairies a total of nearly 1,000,000,000 bushels of wheat, oats, rye, barley and flax. This is a tremendous volume of traffic for the railroads. It cannot all be handled by car sidings, and only through elevators by operating trains of 75 freight cars night and day about 30 minutes apart during three to four months.

This is the picture that is requiring the grain industry to increase its elevator facilities in every direction. With the consolidated pool and the merger of private companies utilizing all their surplus funds for constructing elevators at receiving points during the next five years, the increased grain production can be marketed expeditiously only with the display of the greatest energy.

The grain trade on these prairies has developed a profitable business but in nearly every case the profits have gone back into facilities for handling the ever-increasing business. Where this increasing investment must end is the big problem. 33 million acres were cropped this year. Next year it will be heavier.

Further Building Needed

Edmonton is 1,000 miles northwest of Winnipeg. The Peace River country is 500 miles further north, and wheat is being produced in limited quantities another 500 miles north of the Peace River country. The excess of sunshine makes this possible. It is this possibility that more and more capital must be prepared to take care of if the grain production in the Canadian Northwest is not to be curbed. This is the reason financial and industrial circles are so keenly interested in these reports about the colossal amalgamation of the private grain trade.

Then too, the big terminal elevators of the private interests at the lake head, Vancouver and the Bay ports—not to speak of Buffalo and Montreal—must have grain to pay dividends. The pool has its own terminals at all these points. Under the new law the country elevator—the primary receiving point—will have less to say about routing the grain received than under previous regulations, but ownership in a primary elevator at rural points is the first big factor in the merchandizing of grain.

The private grain trade's reply to pool activity is the proposed merger. Over night, if the plan is worked out on the scale alleged to be contemplated, it makes the new organization superior to the pool in marketing facilities and presents a force under one management that meets the consolidated pool interests on more than an even basis. This is said to be the answer of the private trade to the energetic co-operative movement—increased service to the producer.

Canadian Industrial Alcohol Issues McNish Rights

From Our Own Correspondent.

MONTREAL.—Subscription warrants entitling shareholders of the Canadian Industrial Alcohol Company to subscribe to debentures of the Robert McNish and Company, whiskey distillers, in which company Canadian Industrial Alcohol has secured the controlling interest, have been mailed to shareholders. The warrant forms give the holder two options, one to take up his rights, the other to transfer his rights. Shareholders are entitled to subscribe for one debenture of Robert McNish and Company for each share of capital stock they hold in Canadian Industrial Alcohol.

The Robert McNish and Company debentures amount to $5,000,000. The stock to which the Canadian Industrial Alcohol Company shareholders are given the right to subscribe, consists of an issue of $5,000,000, per cent., 20 year debenture stocks of a par value of $5 a share. The issue is to be redeemable at the option of Robert McNish and Company at any time after five years from the date of issue at a premium of 10 per cent. above par. The issue is guaranteed both as to principal and interest by Canadian Industrial Alcohol Company. The price to shareholders of Canadian Industrial Alcohol is $4.50 for each $5 debenture. The right to subscribe to the issue expires November 15.

Why Prevent Fires?

Harvesting of timber means the employment of many people; with its destruction by fire the opportunity for such prospective employment is removed. The dues received by the government help to meet public expense; the removal by forest fires of the possibility of collecting such dues means that money for current public expenses must be raised in some other way, with the consequent increase in taxes, either direct or indirect.

DIVIDEND NUMBER 168

Hollinger Consolidated Gold Mines, Limited.

(No Personal Liability)

A dividend of 2% on the outstanding Capital Stock of the Company has been declared payable on the 4th day of November, 1927, on which date cheques will be mailed to shareholders of record at the close of business on the 19th day of October, 1927.

Dated the 12th day of October, 1927.

I. McIVOR,
Assistant-Treasurer.

Diversified Standard Securities Limited

Preferred Dividend No. 1

Notice is hereby given that a dividend of two per cent. (2%) on the fully paid up Preference Shares, for the period so paid up, for the quarter ending September 30, 1927, being at the rate of eight per cent. (8%) per annum, was declared payable October 6, 1927, to shareholders of record September 30, 1927.

By Order of the Board.

A. G. TIERNEY,
Secretary.

Montreal, October 6, 1927.

The Royal Bank of Canada

DIVIDEND No. 161
AND BONUS

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT (being at the rate of twelve per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, also a bonus of two per cent for the year ending November 30, 1927, and that the same will be payable at the bank and its branches on and after Thursday the first day of December next, to shareholders of record at the close of business on the 31st day of October.

Shares not fully paid on the 31st day of October, 1927, will participate in the bonus rateably to the amounts paid thereon.

By order of the Board.

C. E. NEILL,
General Manager.

Montreal, Que., October 11, 1927.

FOREIGN EXCHANGE

NEW YORK FUNDS

	High (Discount)	Low (Discount)	Last Year High (Discount)	Last Year Low (Discount)
Oct. 6	3-32	3-32	1-64	1-16
Oct. 7	3-32	7-64	1-32	1-32
Oct. 8	3-32	3-32	1-64	1-64
Oct. 10	3-32	7-64	1-64	1-64
Oct. 11	7-64	1-8	Par	Par
Oct. 12	1-8	1-8	Par	Par

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Oct. 6	4.86 7/16	3.92 5/16	5.46
Oct. 7	4.86½	3.92⅜	5.46
Oct. 8	4.86¾	3.92½	5.46
Oct. 10	4.86 13/16	3.92⅝	5.44¾
Oct. 11	4.86¾	3.92⅝	5.45¾
Oct. 12	......	......	......

FOREIGN EXCHANGE

Par		Oct. 5	Oct. 12
13.90	Italian	5.52	5.46½
23.82	German	23.83	23.83
19.30	Belgian	13.92	13.92
84.85	Japan	46.60	46.55

Exchange Asserts Its Individuality

From Our Own Correspondent.

MONTREAL.—That the Montreal Stock Exchange is acquiring a character and independence peculiarly its own is the opinion of one who has long been identified with its history.

One characteristic it is developing which is more in keeping with the London Stock Exchange than that of New York, is the steadiness it has maintained in its general tone despite the sudden reaction of some of its leading stocks. Sudden rises or breaks in a strong stock on the London Stock Exchange do not necessarily react on other issues, but on the New York Exchange weakening of one strong issue has a tendency to upset the whole market.

The tendency of the Montreal Stock Exchange to remain calm in such difficulties is exemplified by the steadiness of general trading in the face of a break of nearly 60 points by such a stock as Steel of Canada in two or three weeks, and the sudden soaring of such stocks as Canada Cement, Abitibi Power, and Spanish River.

Whereas formerly such moves would have had a marked effect on trading in general, these movements have had little or no influence of late, and the market has maintained a strong undertone while necessary corrections have been made.

RAILWAY EARNINGS

Week End. Oct. 7	1927	1926	Change
C. P. R.	$4,773,000	$4,660,000	+$113,000
C. N. R. ...	5,281,433	5,586,055	— 304,622

Abitibi Power & Paper Company Limited

Dividend Notice

Notice is hereby given that a quarterly dividend of One Dollar and Twenty-five Cents ($1.25) per share has been declared on the Common Stock of the Abitibi Power & Paper Company Limited, payable the 20th day of October, 1927, to shareholders of record at the close of business the 10th day of October, 1927.

By order of the Board.

W. H. SMITH,
Secretary-Treasurer.

International Paper Company

New York, September 28, 1927.

The Board of Directors have declared a quarterly dividend of Sixty Cents (60c) a share on the Common Stock of this Company, payable November 15, 1927, to Common Stockholders of record at the close of business November 1st, 1927.

Checks will be mailed. Transfer books will not close.

OWEN SHEPHERD,
Vice-President and Treasurer.

DEBENTURES FOR SALE

Sealed tenders marked "Tenders for Hoople Creek Drainage Scheme Debentures" will be received by the undersigned up to and including Saturday, Nov. 12th, 1927. The issue is for $7,458.50, 20-year, 5 per cent. debentures authorized by By-law No. 16 of the Township of Osnabruck, County of Stormont, passed Dec. 15th, 1925, approved and validated by the Ontario Railway and Municipal Board, March 17th, 1927. The debentures to be in sums of not less than $50 each and of the kind suitable to the purchaser.

The highest or any tender not necessarily accepted.

Dated at Farran's Point this 30th day of September, 1927.

WILLIS O. SHEETS,
Clerk of Osnabruck.

MONTREAL TRAMWAYS COMPANY

Dividend Notice

NOTICE is hereby given that a dividend of Two Dollars and Fifty cents ($2.50) per share, for the quarter ended September 30th, 1927, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record the 11th day of October, 1927, at 4 o'clock p.m., and payable on the 15th day of October, 1927.

By order of the Board.

PATRICK DUBEE,
Secretary-Treasurer.

Tuesday, October 4th, 1927.

For 70 years we have faithfully served those important industries which have helped make Canada truly great. That long experience is ready to-day to work to your advantage.

The WM. KENNEDY & Sons Ltd.
Engineering Works
OWEN SOUND - ONT.
TORONTO—H. H. TODD,
105 Bond St. El. 9656.

Mexican Light & Power Company, Limited

(Incorporated under the Laws of Canada)

Notice of Payment of Dividends

Notice is hereby given that the Board of Directors have declared the following Dividends on the undermentioned Capital Stock of the Company, payable on 21st November, 1927, to all Shareholders of record at the close of business on the 31st October, 1927:

(1) A dividend at the rate of Seven Per Cent. per annum for the half year ending 31st October, 1927 (i.e., $3.50 per $100 Share), on its 7% Cumulative Preference Shares.

(2) A dividend at the rate of Four Per Cent. per annum for the half year ending the 31st October, 1927 (i.e., 10 Cents per $5 Share), on its 4% Cumulative Redeemable Second Preference Shares.

Dated at Toronto, Canada, 6th October, 1927.

R. H. MERRY,
Secretary.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "C" Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "C" Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water & Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on July 1st, 1950, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of January, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on January 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on January 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "C" Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "A" Thirty-Year Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

Notice is hereby given that all of the outstanding Series "A" Thirty-Year Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on January 1st, 1950, will be redeemed by the Company, pursuant to the terms of the said Trust Deed, on the First day of December, 1927, at par with a premium of ten per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on December 1st, 1927, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on December 1st, 1927, all interest on said Bonds will cease from and after the said date.

Dated at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "A" Thirty-Year Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and ten per cent. (110%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY,
(Sgd.) JAMES WILSON,
Secretary.

BUSINESS INTERVIEW WANTED

I would like to meet a Gentleman or group of Gentlemen with a proposition to form a Limited Company for $15,000 payable 10% per month, you to have full control of the Company, appoint your own financial man on a salary. The stock to be 8% dividend stock, and stock redeemable at 110 at any dividend period. This is a real business, and a money maker, there is no opposition in Ontario, and there is more business offered than even the new company will be able to handle four or five times greater. It is no stock selling game, only one man to meet and that is myself, when I can lay all data on the tables, with references of my standing and ability, etc., etc. Please act quick, can give an interview at any time or any place.

BOX 123, THE FINANCIAL POST,
Toronto, Ont.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "B" Thirty-Year Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "B" Thirty-Year Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water & Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on July 1st, 1950, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of January, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on January 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of the Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on January 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "B" Thirty-Year Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919 and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on April 1st, 1954, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of April, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on April 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on April 1st, 1928, all interest on said Bonds will cease from and after the said date.

Dated at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

MUIRHEADS CAFETERIAS LIMITED

Dividend Notice

The regular dividend of twenty-five cents (25c) per share has been declared on the outstanding preference shares of the Company, payable November 1st, 1927, to shareholders of record October 15th, 1927.

By Order of the Board,

H. M. MILLAR, Secretary.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on October 1st, 1955, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of April, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on April 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on April 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

The Shawinigan Water and Power Company

To: The holders of the Five Per Cent. (5%) Consolidated Mortgage Thirty Year Gold Bonds of the above named Company, due January 1, 1934, secured by Trust Deed dated June 14th, 1904, in favour of The Royal Trust Company, Trustee.

NOTICE is hereby given that in the exercise of the power reserved to it under the provisions of the said Trust Deed, the undersigned Company will, on the first day of January, 1928, redeem all of its Five Per Cent. (5%) Consolidated Mortgage Thirty Year Gold Bonds, which may be then outstanding, by payment of the principal thereof with a premium of ten per cent. (10%) thereon and accrued interest to the said first day of January, 1928, at the principal office of the Bank of Montreal, in Montreal, Canada, or London, England, or at the agency of the said Bank in the City of New York, U.S.A., at the option of the holder or bearer.

Holders of said Bonds are accordingly required to present their Bonds, together with all unmatured coupons attached, for redemption, on the aforesaid date, from and after which said Bonds will cease to bear interest.

Dated at Montreal, Canada, this 12th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY,
Jas. Wilson,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Five Per Cent. (5%) Consolidated Mortgage Thirty-Year Gold Bonds may surrender the same at the principal office of the Bank of Montreal in Montreal, Canada, or London, England, or at the agency of the said Bank in the City of New York, U.S.A., at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of One Hundred and ten per cent. (110%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY,
(Sgd.) Jas. Wilson,
Secretary.

Executive Accountant and Auditor

of broad experience wanted for a position in Toronto with great possibilities. Must be an organizer, an efficiency expert and an investigator, able to conduct high-grade constructive audit, plan and supervise work of assistants and report upon facts in a clear and forceful manner. Chartered Accountant preferred. Give references and state fully general education, age, previous business connections, salary received in past.

Box 108, The Financial Post, Toronto

Sir Joseph Flavelle Says Canada Has Passed Through Boom Day; Decries Saying It is Just Coming

Enormous Prosperity of War Years Has Given Fine Liquid Position to Nation—"Whisper of Death" Was Never Justified—Stock Market Speculation on Future Possibilities Is Dangerous

By SIR JOSEPH W. FLAVELLE, Bart.,
In Address to Association of Canadian Advertisers.

As the basis of what I say, I wish to indicate the somewhat remarkable improvement in the liquid position of Canada; the remarkable liquid position of Canada, which was almost unrecognized as a commanding factor during the time when we were scolding and finding fault and saying that things were in a very bad way.

From 1914 to the close of the war we increased our savings bank deposits by a sum as great as the entire savings bank deposits at the opening of the war. The industries of the country are peculiarly dependent upon hundreds of thousands of simple people who knew very little about banks or banking, or commerce or trade, and who, all unknown to their neighbors and friends, go to some nearby branch of a chartered bank weekly or oftener, or not so often, and deposit that portion of their salary or income which they have not spent. There are hundreds of thousands of those people, and it is the aggregate of their deposits, and the consistency with which they are made that afford the banking facilities which enable business men to carry on their operations.

Banks in Liquid Shape

The savings bank deposits in Canada to-day, made up as I have indicated, exceed the loans in all the banks of Canada by about $300,000,000 to $400,000,000. It is not easy to realize the position which bankers must take in relation to these deposits and the borrowings of business. The banks must keep liquid about 50 per cent. of their entire assets in order that these may be immediately convertible when pressure comes at the peak of the load, or for the purpose of meeting the demand of an unexpected panic on the part of the public.

During the war the savings bank deposits of those hundreds of thousands of people to whom I have referred made possible the remarkable expansion that took place. And since that time those people have persisted in leaving their money with the banks at three per cent. on the minimum monthly balance in preference to listening to the kindly and persuasive tones of the energetic body of salesmen who want to sell them stocks.

Many Millions Tucked Away

Business and commerce are under a heavy obligation to the chartered banks for having established the confidence of the small depositor to such an extent that he continues to have faith in the chartered banks, no matter what may happen, thus making available the moneys necessary for the purposes of the country. Therefore, the fact that between 1914 and 1926 we accumulated $750,000,000 from these people — men and women, preachers and teachers—is of first rate significance in indicating the widespread character of the betterment of Canada's liquid position.

During the same period the provincial governments set up savings banks of their own, and in them and in trust companies and other corporations of a similar character tens of millions of further money were placed on deposit.

In addition, while we were doing this, we brought back from England tens of millions of dollars of securities which had been housed there, but which, because the pound sterling had dropped to between $3 and $4, could profitably be brought back, we paid for them with our dollars then approaching par.

We also had sufficient money to replace British and Continental money for mortgage purposes. Previously, the money came from the sale of foreign debentures, but since the outbreak of the war we have been depending almost entirely upon ourselves for mortgage money, and in 1926 we carried an investment in foreign securities, as estimated by the secretariat of the League of Nations, of $750,000,000. Some conservative Canadian authorities believe it to be not less than a billion dollars, and that we are increasing our investment at the present time at the rate of about $5,000,000 per month.

Bought Much Life Insurance

From 1924 to 1926 we increased our life insurance very substantially. Life insurance is one of the modern means of using our savings. In 1900 we had in force $404,000,000, and in 1926 we had multiplied that by tvelve, to a total of $4,964,000,000, an increase per capita of from $76 to $530.

The Boston News Bureau in a recent article upon Canada reminds its readers that as a result of our experience before and since the war, up to the end of 1926, our per capita wealth was only exceeded by that of the United States and of Great Britain. As an evidence of this per capita wealth I may point out that in addition to the bank deposits and foreign investments we had the outbreak of the war, a 40 per cent. holding in the $800,000,000 which the Dominion Government, the provincial governments and the municipalities of Canada owed. That was housed in Canada. By 1926 we had $4,200,000,000, of which $2,000,000,000 was the Dominion Government war charge, and 68 per cent. or $2,900,000,000 was held in Canada. So when we pay interest on that very large indebtedness we pay 68 per cent. of it to our own people.

Prior to the war there was never a dollar of Dominion securities offered in Canada. The Federal Government occasionally borrowed from the banks for the purpose of meeting an immediate situation, to tide them over until such time as they could go to London and make a flotation. No flotation was made in Canada until early in 1915. At that time I remember the then finance minister—a very old and highly-prized friend of mine—coming to my room in Ottawa and saying: "J. W., do you think I could borrow fifty million dollars in Canada?" I said: "I don't know whether you could or not. What do the banks say?" "Well," he said, "about half of them say I can't get it, and about half of them say I might get it, and they offer to underwrite 50 per cent. of it, so I think I will go to the country with a loan of fifty million dollars." My friend was the Right Honorable Sir Thomas White, and that was the first loan we ever placed in Canada.

Bought of Our Own Bonds

Now, during the time that we were dealing with the war and the expenditures incident to it we became so liquid that we invested $1,600,000,000 in our own war securities, with the result when the war was over, that of the total issue of about two billions, sixteen hundred millions was held by our own people. An interesting feature was that in one of those issues the actual subscriptions received amounted to $8,000,000, and in the other to $1,100,000,000, and that one out of every nine persons in Canada became possessed of a war security.

How did this all happen, and how do you account for the panic that we got into in 1920, and that we so frequently said that we were going to the bow-wows if something was not done? In the first place, it grew out of the fact that during three years of the war we sold everything we had for two or three times what it ordinarily cost. It was as though each year was equal to twice or twice and a half what it would have been in ordinary times. We had $3 wheat, 21 cent hogs, 15 cent cattle. Every kind of food product was relatively high. You will remember that what you had to sell you could sell, for there was a demand all over the world for the most unlikely things, whether they were boots and shoes, textiles or portable sawmills, and there was a demand for the whole range of steel and iron stuffs at extreme prices, and the amount of money that came into the country was much greater than we realized.

British Poured in Millions

Then the British Government came into the country and expended $1,300,000,000 during these few years in the purchase of munitions, the building of ships, the securing of timber—a whole long range of supplies. And we do not have to pay back a dollar of that in taxation. The British people have to pay that tax. We get the money. Our own government, as I have already pointed out, borrowed $2,000,000,000, every cent of which will have to be paid back in taxes, but meantime we have this other money which is as real as if it had come in the ordinary way. I do not know exactly how much of the $2,000,000,000 borrowed by the Canadian Government was spent in Canada, but I am certain that it was a very considerable percentage.

Similarly, between 1914 and the end of 1926 the United States invested in Canada three billions of dollars. At the outbreak of the war their investments amounted to five hundred millions. That shows a large increase, and it is a lot of money; it is difficult for us to measure billions.

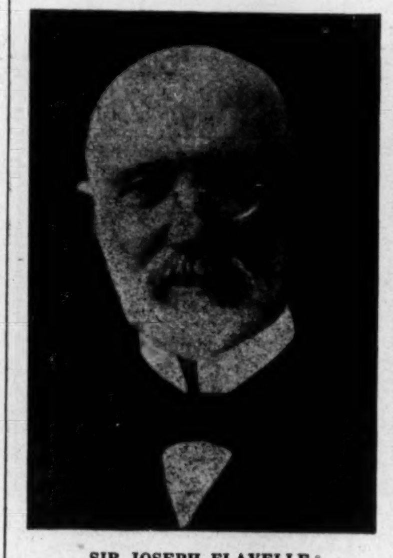
Since the war there has been a steady volume of agricultural products. This year, the wonderful prairie provinces will market a crop of 800, 850, or 900 millions of bushels, and that is all money. If you manufacture an article, half of it may be produced from products which you have to send out of the country for, and for which you have to pay, and even though you make a profit on it you have to send money out of the country. But when a product comes from the land it is all money or the equivalent of money.

Prairies Are Rich Producers

During the last three years the prairie provinces have produced from $2,000,000,000 to $2,200,000,000 from lands which during my time were the subject of censure of the government of the day when it secured them from the Hudson Bay Company at a price of £300,000. The government secured in that transaction all the territory now represented by Manitoba, Saskatchewan, Alberta, and the vast areas to the north, as well as a major portion of British Columbia. They paid a million and a half dollars for a country that produces eight hundred million in a year.

Canada is the largest wheat exporting country in the world. In 1926 we had 40 per cent. of the total available surplus.

In 1926 we had three billions of dollars of products from our factories, which employed 570,000 people.



SIR JOSEPH FLAVELLE,
Chairman, Canadian Bank of Commerce,
Chairman National Trust.

Now we have a wholly new source of income. The other night I saw an item in one of the papers stating that it was estimated that three hundred thousand United States automobiles came into Canada in the month of August, carrying just under a million people. I still think that must be wrong; I think that is one of those cases in which even newspapermen occasionally make a mistake. Yet, driving out to Oakville that night, and having this item in mind, I thought I would count the American cars that I met on the seven mile drive to my place, which takes a matter of some fifteen minutes. Between six o'clock and six fifteen, I passed 161 United States cars, and that was on only one highway coming into Toronto. I then commenced to wonder whether the estimate of three hundred thousand cars was so extravagant as I had thought it to be.

I notice that our friends in Ottawa who are responsible for tabulating statistical information estimate that the amount of money that will be left in Canada this year by automobile visitors will amount to $250,000,000.

I am saying this to you because I wish to leave the impression on your minds—you may challenge it—that we were unworthy and wrong and mistaken in a great deal that we said after 1920, when there was a violent break in the value of commodities. We were wrong in assuming that there were hard times upon us. All through that period we went on accumulating liquid resources, and it is to that that I wish to call your attention.

No War Orders to Come

I do not know what will happen during the next ten years. We will not repeat the process so far as a good deal of the extra cash that was left in the country is concerned. Please God, the British Government will not spend thirteen hundred millions for munitions of war! Please God, the Canadian Government during the next ten years will not borrow two billions of money for war! I shall be rather surprised if our American friends who have been busy buying timber limits and pulp and paper mills and water powers, repeat their investment of three billion dollars during the next ten years.

I think it is worth while asking whether we are fully justified in the general impression that seems to exist that Canada is just coming into her own, and that we have a wonderful time ahead of us. We have had a wonderful time; we have enjoyed it. It is behind us. We have had the money and have distributed it.

"Derelicts" of Business

Any business men who made money very easily during the war period, and who in 1920 were confronted with losses on inventories, may have had a hard time. Many of them never had any experience of struggle. Everything came so easily to them, that, if you will excuse the expression, they have not had the guts to adjust themselves to the changed conditions, and I do not suppose they will. I think there is a whole breed of them that are part of the derelicts of the country who never learned to do their business by struggling. Everything was fed to them on a gold platter during the war period, and I fancy many of them will never do well again.

There are all sorts of people who never received, by way of salary, anything adequate or commensurate with the increased cost of living; but broadly speaking, while we were scolding and finding fault and talking blue ruin, what was happening? We were accumulating money.

May I particularize a little further? Take water powers and electrical energy generated from water powers. In 1913 we had $110,000,000 invested in the production of electrical energy. It is estimated that at the end of 1926 we had an investment in such developments of $725,000,000, and that we are producing at the present time about five and a half million horse power, electrical energy.

We are advised that in Canada we have a minimum flow capable of producing possibly eighteen millions of electrical horse power. I think it would be a very courageous man who in the light of the experience of the past ten or twelve years and the extraordinary conditions brought about by the development of electrical energy, would say that perhaps during the lifetime of most of us, every available horsepower would be harnessed.

Growth in Paper Industry

Take the pulp and paper industry. It is the largest single manufacturing enterprise in Canada to-day. It is first in gross and net volume, and in wages and salaries. Our exports of newsprint are greater than the similar exports of any other country of the globe, and seven times greater than those of our nearest competitor, Germany.

In 1890, the export of paper products from Canada amounted to $120; in 1910, newsprint alone amounted to $2,000,000; in 1920 to $53,000,000, and in 1926 to $114,000,000., while in that year the total production of newsprint and other papers and pulp had a value of just over $200,000,000.

If you want to know something of the dimensions of this industry, go to Kapuskasing, or down on the Gatineau where the International Paper people are at work, or to where Price Brothers have put up their new mill on the Saguenay. Go to Iroquois Falls, where at one end of the mill, seven hundred cores of wood go into the machines during the 24 hours, and where at the other end five hundred tons of newsprint come out. Every night about 11 o'clock, twenty-one cars are loaded with newsprint to leave that little town. That process is repeated in many other places.

In 1915, we produced $140,000,000 worth of minerals. In 1926 that figure had increased to $240,000,000. You

(Continued on page 21)

The issue having been sold, this advertisement appears as a matter of record only.

NEW ISSUE

33,750 Shares

National Distilleries, Limited

Montreal, Canada
(Incorporated under the Dominion Companies Act)

CAPITALIZATION
(Upon completion of the present financing)

	Authorized	To be Presently Issued and Outstanding
Seven Per Cent. Preferred Stock	*5,000 shares*	*3,294 shares*
Common Stock	*250,000 shares*	*78,000 shares*

No Bonds. No Mortgages.

Bankers: Bank of Montreal.

Transfer Agents and Registrars: National Trust Company, Montreal, Quebec.
Royal Trust Company, Winnipeg, Manitoba.

DIRECTORS

The Board of Directors will include:—

Edward C. Pratt,
Late President, National Breweries.
Late General Manager, Molson's Bank, Montreal, Que.

David N. Finnie,
President, National Distilleries, Limited, Montreal, Que.

Robert J. Magor,
President, National Steel Car Co., Montreal, Que.

Lt.-Col. E. J. Cleary, D.S.O.
Galloway & Cleary, Regina, Sask.

Edward Fitzgerald,
Director, National Trust Co., Montreal, Que.

W. T. Gwyn,
Director, Osler, Hammond & Nanton, Limited, Winnipeg, Man.

Chas. G. Greenshields, K.C.,
Director, Brompton Pulp & Paper Co., Montreal, Que.

J. G. Turgeon,
J. G. Turgeon & Co., Ltd., Vancouver, B.C.

We submit hereunder a summary of information furnished by the Company:

THE COMPANY—The Company own two distilleries: one in the Province of Quebec, and one in Manitoba, the latter having been acquired through ownership of all the capital stock of the Manitoba Refinery Co., Limited, St. Boniface, Man. This distillery is in complete, successful operation. The Quebec plant is now being completed and will be in operation by November.

The plants of the Company are modern and up-to-date, having a combined production of approximately 6,000 gallons of spirits per day, with storage capacity in excess of 3,000,000 gallons. Head office, Montreal, with sales branches located in Toronto, Winnipeg and Vancouver.

The Company will manufacture industrial alcohol for all purposes, as well as a complete line of whiskies, gins, etc., and control valuable selling agencies for well-known European brands, choice wines and liqueurs.

PROPERTIES AND PLANTS—The real estate and plant of the Manitoba Company covers about three acres, is modern in construction, and equipped with the latest and most economical distilling machinery.

The Quebec property covers about five acres, is situated on the River St. Lawrence, at Lachine, Que., with both water and rail transportation. This plant, when completed, will have a capacity of approximately 4,000 gallons per day, with storage in excess of 2,500,000 gallons. This will be the largest distillery in the Province of Quebec and one of the largest in Canada.

Both plants were designed and installed by the Ansonia Copper & Iron Works, Inc., Cincinnati, Ohio, U.S.A., recognized as the leading distillery builders on this continent.

SECURITY AND ASSETS—The fixed assets (based on depreciated appraisal values) are valued in excess of $820,000.00, while current assets amount to approximately $911,000.00, against current liabilities of $116,000.00, being in the ratio of over 8 to 1, and showing in excess of $500,000.00 cash on hand.

No value has been placed on Government Licenses, Trade Marks, Brands, etc., goodwill being carried at Two Dollars.

NATIONAL DISTILLERIES, LIMITED
Consolidated Balance Sheet (After giving effect to present financing) as at June 6th, 1927

ASSETS

Current Assets:		
Cash	$614,531.71	
Bills Receivable	13,581.35	
Inventories	283,862.49	
		$911,975.55
Deferred Charges, Etc.		6,788.83
Fixed Assets:		
Real Estate, Buildings, Plant, Machinery, etc.		820,715.18
Goodwill		2.00
		$1,739,481.56

LIABILITIES

Bank Loan	$ 64,358.93	
Current	52,386.91	
Capital Stock:		$116,745.84
Authorized: 5,000 shares 7% Cumulative Preferred and 250,000 shares No Par Value Common Stock.		
Issued: 3,294 shares 7% Cumulative Preferred Redeemable	$329,400.00	
78,000 shares No Par Value Common Stock	$1,248,000.00	
		$1,577,400.00
Capital Surplus		45,335.72
		$1,739,481.56

EARNINGS—The earnings, as estimated by the management, should amount to between $250,000.00 and $300,000.00 per annum, for the first year, which earnings should show material increase as the Company's new spirits come into maturity.

MANAGEMENT—The management will be in the hands of executive officers thoroughly familiar with both the domestic and export trade who have had long experience operating similar industry. These men are financially interested in this Company, and will be advised by a Board of Directors of high standing and integrity.

PURPOSE OF ISSUE—The proceeds from the sale of shares now being offered the public will go directly into the treasury of the company for plant improvements and working capital. The interests identified with this Company have shown their confidence in the future by accepting shares in the new company for their properties, no cash having been withdrawn.

LISTING—It is the intention of the Company to make application to list the shares on the Unlisted Department of the Toronto Stock Exchange and on the Montreal Curb.

All legal matters in connection with this issue are being approved by Messrs. Laflamme, Mitchell & Kearney, Montreal.

We offer the above shares, if, as, and when issued and accepted by us.

PRICE: Twenty Dollars ($20.00) Per Share

Housser, Wood & Co.
Limited
Investment Bankers
Royal Bank Building Toronto

H. B. Robinson & Co.
Limited
Investment Bankers
136 St. James Street Montreal

The statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

Insurance for Buyer and Seller

Scramble for Stock in Life Companies Leads to New Peaks

Sun Life is Leader, Followed by Other Shares

U. S. BUYING ACTIVE

Insurance and Investment Trust Interests on Other Side Lead Buying of Stocks

The American investor has turned his attention to Canadian insurance stocks. A few weeks ago, rumors were flying thick and fast regarding the heavy purchases of bank stocks from across the line. Prices rose tremendously and the culmination point was reached with the announcement that two investment trusts had been formed for the purpose of acquiring the shares of the Canadian banks.

In the past two weeks however, the financial batteries of New York and Hartford, have been turned on the Canadian insurance stocks, with the result that brokers report the heaviest trading that has ever been experienced in this type of security. With one exception, however, there is little reason to fear that Americans are out for control of Canadian insurance companies.

More particularly, the buying has been concentrated on the higher priced, or leader stocks, but the movement has extended all along the line, with the result that there has been a very keen interest among Canadian investors regarding the lower-priced stocks. In other words, while the American buyer is bidding upwards of $500 to $2,000 for a share of the higher priced stocks, the Canadian investor is saying to himself "any benefit that accrues to the bigger companies, will also affect the smaller, therefore, I had better climb on board before it is too late."

Sun Life Leads Advance

Of course, the leader in this meteoric rise, has been the stock of the Sun Life Insurance Company. Ten months ago this stock was being bid for at $560 per share. This week it reached its peak at $1,975, and it is rumored that transactions have actually taken place at the $2,000 mark. In two weeks it has jumped $525 per share. And in even on Sept. 8th, transactions took place at the $1,100 mark, which shows an $875 appreciation within a month.

Within the past three weeks at least 1,000 shares of stock have changed hands at these prices, which is about one-twentieth of the total number of shares outstanding.

Practically all the buying in this stock is coming from Hartford, according to advices received by The Financial Post. Much of the buying is being done through New York, of course, but the real source is believed to be Hartford, rather than Wall Street. Fear on the part of the company officials that a definite move is being made to acquire control of the company, is believed to be the primary motive in taking steps to split the present stock on a ten for one basis.

Other Stocks Also Jump

However, the Sun Life is not by any means alone in this bullish market. The stocks of two or three other leading companies have forged into the limelight. Canada Life stock, for instance, has risen from $900 to $1,150, and, several hundred shares have changed hands between these figures.

The stock of the Great West Life has also been active. At the beginning of the year, this stock was quoted at $410 bid. Two weeks ago the bid price stood at $430, but during the past week $450 is being offered for a share of the stock, with none being offered.

Another spectacular rise has taken place in the shares of the Manufacturers Life. Around the first of January, the stock was $135 bid. Two weeks ago this had trebled to $390. While during the past week, there has been active bidding for the stock at $500, with very little offered.

Continental is Most Active

In the smaller company stock, the trading has not been so active, but the demand for stock has increased tremendously, with the result that the whole market has become exceedingly firm, and bid prices have risen temptingly. The most active stock on the board has been the Continental Life, which has changed hands rapidly at prices ranging from $55 to $60.

The fire and casualty stocks have not been forgotten, but as there are only a few purely Canadian stocks of this type in demand, the situation is not so spectacular. Dominion of Canada Fire has been in strong demand at high prices, and so has the stock of Canadian Fire Co. of Winnipeg.

"Bid" Price-Range of Canadian Insurance Stocks

	Jan. 1, 1927	Oct. 1, 1927	Oct. 10, 1927
Sun Life ..	$560	$1,350	$1,975
Canada Life	600	940	1,150
Manufactur's	135	395	500
Great West	410	430	450
Crown Life	128	220	280
Continental	42	50	60
Can. Fire	90	95	110

In spite of this keen demand for Canadian insurance stocks, there seems no reason to fear that control of these institutions is passing across the border. Information received from New York by The Financial Post, indicates that there are apparently three sources from which the buying emanates. The first is Hartford, which is said to be largely responsible for the interest in Sun Life stock. The second is the brokers themselves who are evidently picking up a few shares here and there with a view to handsome profits, either for themselves or their clients. And lastly there are the newly formed American investment trusts, which invest largely in insurance company shares. This latter source is considered to be a highly potential factor in the present situation.

Holding Companies Protect

As far as the control of the smaller Canadian companies is concerned, there is a feature surrounding many of the smaller Canadian companies that entirely precludes the possibility of American interests quietly acquiring a controlling stock interest. This feature is the fact that the control of several Canadian companies is held by a holding company which operates perfectly inconspicuously, and which consists of the majority shareholders of the insurance company itself.

This method of control is a very effective safeguard for the young insurance company, especially during the lean years of its earlier existence. A poor showing in the early life of a company might easily depreciate the the company's stock, to a point where a wealthy outsider might find it exceedingly profitable to quietly buy up large blocks of stock, and accrue to himself the years of effort which should rightfully go to the earlier shareholders. Furthermore the holding company can be of real service to shareholders, by going into the market and buying up odd lots of stocks that are being offered at sacrifice prices, and which would otherwise have a demoralizing effect on the company's position.

Later They Are Abandoned

As the company grows larger, this holding company plan very probably outgrows its usefulness, and judging by the experience of Canadian companies in this regard, the scheme is usually abandoned in later and more prosperous years. By that time, control of the company, is, as a rule, very definitely established, and there is little possibility of control passing without the consent of the majority shareholders. Of course, there are exceptions to this, and our biggest Canadian company, The Sun Life, has only recently been attributed with considerable qualms, as to the final outcome of this keen interest on the part of Hartford interests.

INSURANCE GAINS IN WEST CANADA, REPORTS REVEAL

Three Provincial Reports Tell of Good Progress

Substantial growth in the insurance business of Western Canada, is recorded by the reports recently issued by the superintendents of insurance in the Western provinces. Saskatchewan does not issue a separate report on provincial insurance, but the reports from Manitoba, British Columbia and Alberta show that much progress was made during 1926, in all types of insurance. The reports cover the activities of the various provinces for the year 1926.

Insurance in Manitoba

In Manitoba, the total premiums collected for all classes of insurance amounted to $16,932,263, as against $15,806,073 in 1925, and $14,487,130 in 1924. The increase is fairly well distributed among the various classes of insurance, although the premiums on steam boiler and explosion, and upon unclassified casualty risks, show an exceptionally heavy increase during the past year. Out of the total premium income of insurance transacted in the province, only about 4% is transacted by provincially licensed companies. This percentage is apparently decreasing slightly each year. There are 26 insurance companies and 6 reciprocal exchanges licensed provincially, as against some 237 with Dominion licenses, which are registered to do business in the province.

Alberta and Coast Results

In Alberta, the total premiums written by the various companies within the province amounted during 1926 to $15,526,000. There were at the end of the year, 18 companies operating under a provincial license, as against 444 insurance corporations operating under a Dominion license, but registered in the province. Also, the province during the year, admitted provincially, seven reciprocal or inter-insurance exchanges.

In British Columbia, there were at the end of 1926, some 233 insurers licensed to transact business in the province, of which 222 operate under a Dominion license, and 11 under provincial licenses. In addition, 11 reciprocal exchanges obtained permits to transact business within the province. The total amount of insurance written by all classes of insurers in the province amounted in 1926 to $18,895,000, as against $17,306,000 in 1925, and $15,517,000 in 1924.

Life Business Gains

Taking the life insurance business as a whole throughout the Western Provinces, the reports show healthy increases during the past year. In Manitoba, premium income amounted to $10,375,000, as against a little less than $9,500,000 in the previous year. Practically all of this business was done by Dominion companies registered in the province, but the provincially-licensed companies received only $91,000 in premiums. In Alberta, premiums for 1926 amounted to $8,950,000, which represents a total amount of business written, of $59,732,000. The total amount of life insurance in force in the province amounts to approximately $284,500,000. In British Columbia, the yearly premiums amounted to $10,523,457 as against $9,220,000 in 1925. This represents some $53,443,000 new and taken policies written during the year. The total amount of life insurance now at risk in the province amounts to $303,807,000.

Summary of Fire Experience

Fire insurance is the next most important group of protection. In all three provinces, the most outstanding feature of the year is the official admission of the reciprocal exchanges into the provinces. So far eleven have been recognized in the West, all of them having been admitted to British Columbia; six to Manitoba, and sever to Alberta. The following table gives a summary of the fire insurance experience of the three provinces for 1926:

	Net Premiums	Net Losses Incurred
B. C.	$5,670,000	$2,662,799
Alta.	3,995,610	2,082,067
Man.	4,484,530	*1,767,593

*Losses paid.

In each case the amount of premiums collected shows an increase over the previous year, while losses have shown a corresponding decrease. This reflects the improvement in underwriting conditions which have prevailed in Canada of late.

Among the casualty lines of risk, auto-

(Continued on page 19)

Oshawa Will Borrow

City of Oshawa will be in the market for some $400,000 worth of bonds about next February. These bonds will be to cover the cost of making additions to two of the city's public schools, a two-roomed addition in one case and a four-roomed addition in another, and for road, sidewalk and water main extensions, necessitated by the growth of the city. The school extensions noted here are not likely to satisfy the growing needs for long. A new school is in mind to be erected probably early in 1928.

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agents

TRUE STORIES ABOUT LIFE INSURANCE
By a Mutual Life Representative

His Family's Future Was in the Fire

HE had need for insurance and proposed taking out a $5,000 Policy in the Mutual Life.

I asked him what was the minimum by which his widow could carry out his plans for his boys' education. How long could his family live and how much education could they have for $5,000?

"Make it ten, then," he said, "with an extra thousand for my mother—say $11,000."

I got the Head Office to make out three policies—two for ten thousand each and one for one thousand in favor of his mother.

"I can't pay for it," he said, when he saw the extra $10,000. "I have other irons in the fire."

"You have your family's future in the fire," said I. "Don't leave it there."

He hesitated, but saw the logic of the situation and accepted the full amount of the policies—$21,000.

"It will cost me $700 a year," he said, "but my family's future is worth it."

* * * * *

Why not let one of the Mutual Life experts analyze your insurance position and show you where you stand and how to adjust yourself?

The MUTUAL LIFE
of Canada
WATERLOO, ONTARIO

322

THE
IMPERIAL
GUARANTEE and ACCIDENT
UNDERWRITERS
Guarantee, Accident, Automobile, Burglary, Sickness, Plate Glass, Fire.
HEAD OFFICE:
22 Wellington St. E., TORONTO

The Pilot
Automobile & Accident
Insurance Company, Ltd.
Head Office—Waterloo, Ont.
Specializing in Automobile Insurance
Applications for Agencies Invited.
D. McINTOSH,
Managing Director

THE
ONTARIO EQUITABLE
LIFE AND ACCIDENT
INSURANCE CO.
S. C. TWEED, *President*
HEAD OFFICE:
WATERLOO, ONTARIO
Assets (Dec. 31, 1926) $3,822,316
Reserves 2,422,896
Insurance in Force...33,050,441

NORTHWESTERN MUTUAL FIRE
ASSOCIATION
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA, HAMILTON, ONTARIO.
Writing Fire Insurance at Cost Assets $3,751,733.94
ALL POLICIES DIVIDEND PAYING AND NON-ASSESSABLE.
Branch Offices:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Saskatoon, Winnipeg, Montreal, St. John, Halifax, and Charlottetown.

The Rule of Three

There are just three incidents—and three alone—in the history of a legal reserve life assurance policy.
They are:—Premium Paid.
Proof Submitted.
Cheque Drawn.

In the case of a matured endowment policy there are again just three incidents.
They are:—Premium Paid.
Policy Matured.
Cheque Drawn.

The rule of three is as elementary in insurance as in education. In both it is the beginning of wisdom.

SUN LIFE ASSURANCE COMPANY
OF CANADA
Head Office: Montreal

THE MONARCH LIFE
IS A
GOOD COMPANY
Provincial Offices:
Toronto, Montreal, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria, St. John, Halifax.

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$87,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY, Secretary
W. H. HUNTER, President
ALEX. STEWART, Treasurer

The Main Source of Profit
to a
Life Insurance Company

lies in what is technically described as Savings from Mortality, that is, the difference between the actual death losses and those allowed for in the premiums.

For the Past Five Years

THE EMPIRE LIFE
INSURANCE COMPANY

has had the lowest ratio of death losses to business in force of any Canadian Company, and the lowest ratio that any Canadian Company has had in any five-year period in its history. This remarkable record is one of the reasons for the high standing of the Company, and one of the reasons why

Empire Life Policies Equal the Best

Agencies established in Ontario, Quebec, New Brunswick, Prince Edward Island, Saskatchewan, Alberta and British Columbia

Head Office :
12-14 Wellington St., E. - TORONTO

Insurance News

(Continued from page 18).

Massachusetts Official Declares Compulsory Law Has Reduced Accidents

Compulsory automobile insurance has been very much in the foreground for the past two or three years, but in spite of much intensive interest on the part of insurance companies and associations, there has been a great paucity of authoritative information on this exceedingly controversial subject. No one had ever tried compulsory automobile insurance and therefore no one knew just what the effect would be when it was tried.

However, it is now a matter of history, that the State of Massachusetts, at the beginning of the present year, introduced a compulsory insurance scheme into its midst, and for the past nine or ten months, both Canada and the United States have been waiting to see what the results of the innovation would be.

Massachusetts Official Speaks

About a week ago Wesley Monk, Superintendent of Insurance in Massachusetts, made an official statement of the situation before the National Convention of Insurance Commissioners at Cincinnati, and his pronouncements on the subject are of more than passing interest. The high spots of his address are as follows:

"First I point out to you that the main purpose of the law in application to Massachusetts motor vehicle owners, has been and is being thoroughly and completely satisfied. One can rest assured that the owner of every motor vehicle carrying Massachusetts' registration plates, has furnished a certificate of insurance or a surety bond, or has deposited securities for the compensation of damages, arising out of his or her negligence."

"I am safe in saying that the law is 100 per cent. efficient and has accomplished exactly what it was intended to accomplish. I have heard and read many arguments to the effect that the new law in Massachusetts had failed. This is not true. Any such statements have been made by those who have lost sight of the main purpose of the law and have stressed its secondary or incidental results.

Secondary Results Noted

"Now let me discuss some secondary results of the law.

"Until 1927, registrations persistently increased, at the rate of about 50,000 per year. Since the law came into effect, there has not only been a lack of increase of the normal amount of registrations, but in certain classifications, there has been a very decided decrease in registrations. This is particularly true of the more hazardous types of vehicle.

"The makeshift motor vehicle, hitherto operated on the highways by boys, is no longer upon our highways. Furthermore, there are a great many motor vehicles now in the junk heap, which would be operated on our highways with all the attendant risks were it not for the fact that this insurance is required.

"I have been informed by the Registrar of Motor Vehicles that the ratio of reported accidents involving personal injury, in proportion to the number of registrations of motor vehicles, is decreasing. This undoubtedly is due in part to the operation of the law.

"Statistical plans have been developed by the insurance department with the cooperation of the insurance companies, which will disclose not only all the facts and figures relating to insurance losses and expenses, but will also disclose the private record of every individual automobile owner in the commonwealth. That record is available, too, and will be weighed by insurance companies.

May Write Only Proper Risks

"Bear in mind that the companies are compelled under this law to write only such risks as are proper, and if a company examining the record of an indivdual applicant, finds that record such as to make him an improper risk, the company may decline to insure. Furthermore, if one company declines to insure, that record is available for all companies, and each and all will decline to insure. If the company is correct in its judgment, and is supported by the appeal board, that motor owner is off the highways, so far as owning or operating a motor vehicle is concerned.

"Among other reasons which have been supported by the board as a just cause for refusing or cancelling, is driving a motor vehicle while under the influence of liquor. and the board has decided with equal certainty that persons operating motor vehicles for unlawful purposes, are to be considered undesirable risks.

He Favors Law Heartily

"In 1924, I in no way made any personal commitments either for or against the proposition for a compulsory motor vehicle insurance law. To-day I am heartily in favor of such a law.

"In my opinion, compulsory insurance is and will be a palliative to accident prevention, and if given a fair trial, will do more to create care on the part of motor vehicle owners and operators, and thus prevent accidents, than any single remedy that has heretofore been suggested."

INSURANCE GAINS IN WEST CANADA REPORTS REVEAL

(Continued from page 18)

mobile insurance is the most important individual form. In British Columbia, this business has grown tremendously within the past three years as evidenced by the amount of premiums received annually by insurance companies in the province. In 1926, premiums amounted to $1,106,295; two years previous they were only $736,000, while in 1925 they amounted to $884,000. In Manitoba there is a slight falling off in premium income for 1926, due doubtless to lower rates prevailing in the province. The following table shows the relation of net premiums to losses incurred:

Western Automobile Experience, 1926

	Net Premiums	Net Losses Incurred
B. C.	$1,106,000	$518,000
Alta.	354,481	130,653
Man.	456,300	*225,629

*Losses paid.

Not only has insurance progressed along the lines of these three leaders, but also in other forms of casualty lines there has been rolled up an impressive amount of business. Some of the more important classes of business, and the experience of the three provinces, is as follows:

Western Casualty Experience, 1926

	Net Premiums	Net Losses Incurred
Accident—		
B. C.	$438,923	$198,791
Alta.	249,166	91,613
†Man.	386,782	*166,174
Sickness—		
B. C.	$174,509	$101,432
Alta.	94,259	46,968
Man.	Included in Accident	
Liability—		
B. C.	$80,142	$10,731
Alta.	33,454	7,899
Man.	92,215	*35,705
Burglary—		
B. C.	$47,242	$10,411
Alta.	13,705	3,178
Man.	53,477	*12,717
Guarantee—		
B. C.	$91,920	$15,987
Alta.	104,598	29,144
Man.	346,030	*42,877
Plate Glass—		
B. C.	$56,628	$20,933
Alta.	46,485	15,458
Man.	41,761	*18,758
Marine and Inland Tr.—		
B. C.	$606,845	$387,171
Man.	143,088	*87,096
Hail—		
Alta.	$1,134,831	$1,099,151
Man.	464,513	*150,958

*Losses paid.
†Includes Accident.

FORECAST BONUS FOR EMPIRE LIFE; APPLY ON SHARES

Five Dollars a Share Mentioned, to Come in January

That good things are in store for the shareholders of the Empire Life Insurance Co., seems assured from information received by The Financial Post this week. Although there has been no official announcement, it is learned on good authority that the directors of the company have approved the principle of declaring a bonus on the company's stock. The company has recently been selling an additional issue of its stock to the Canadian public and at the end of 1927 there will be outstanding about $1,500,000 of the company's capital stock. Authorized capital amounts to $2,000,000.

At present the company has a surplus on hand of something like $130,000 of which $75,000, or $5 per share will probably be distributed as a bonus not in cash but as a paid-up addition to capital. It is further understood that the distribution will be made at the turn of the year, perhaps towards the end of January.

At the present time the company's stock is 10 per cent. paid-up, so that when the bonus is declared next year, the stock will in effect become a 15 per cent. paid-up stock, thus reducing the amount of premium on the company's stock, which in this company has been as high as $35 per share.

The Long Look

ONE of life's greatest problems was solved when business men carried over into domestic life the "long look"—the practice of looking and planning ahead, which has proven the secret of every successful business enterprise.

The college days ahead, clearing off the mortgage on the home, comforts for the sunset years of life—all can be planned with definite assurance of happy consummation.

Such is the great contribution of modern life insurance! And London Life policies on the "reduced premium" idea are built for the purse of the average family man.

For example, a man age 30 can purchase $10,000 life insurance on the famous Jubilee plan for $3.52 a week (payable annually) and subject to reduction by dividends. Your premiums when reduced by dividends could never total the amount of this policy; yet all the while the cash value is steadily mounting and the protection is always there. Ask any of our representatives for particulars.

London Life
Insurance Company
"Canada's *Industrial-Ordinary* Company"
HEAD OFFICES - LONDON, CANADA
Policies "Good as Gold"

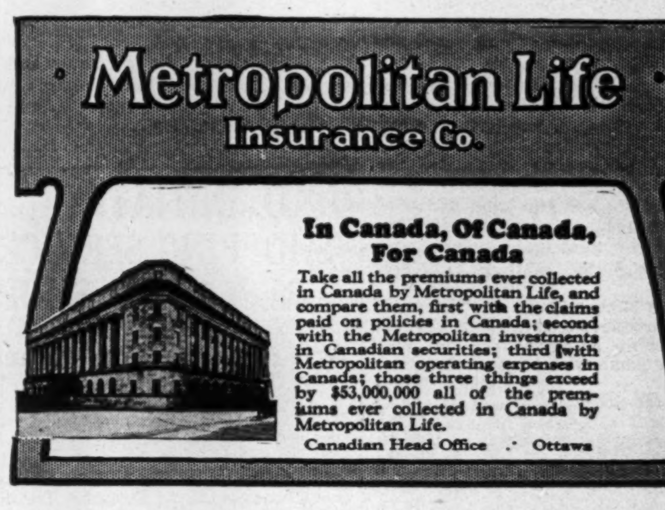
THE
Western Empire
Life Assurance Company
HEAD OFFICE
701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER

COMSTOCK COMPANY LIMITED

We have a reputation for executing electrical construction of heavier natures in out of the way places.

Canadian Comstock Company Limited
Montreal Toronto

Lougheed & Taylor, Limited
Calgary, Canada
Bond, Insurance, Estates, Farm Lands, Appraisals
We are well informed on the oil situation.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Insurance Co.

In Canada, Of Canada, For Canada

Take all the premiums ever collected in Canada by Metropolitan Life, and compare them, first with the claims paid on policies in Canada; second with the Metropolitan investments in Canadian securities; third with Metropolitan operating expenses in Canada; those three things exceed by $53,000,000 all of the premiums ever collected in Canada by Metropolitan Life.

Canadian Head Office . Ottawa

NEW ISSUE

$1,100,000

Metropolitan Corporation of Canada Limited

First Mortgage Sinking Fund Gold Bonds
Series "A", 6%

Interest and Sinking Fund payable out of monthly rentals under leases to
METROPOLITAN STORES, LIMITED
AND
METROPOLITAN CHAIN STORES, INC.

Dated October 1, 1927 Due October 1, 1947
Series "A" Bonds Authorized $1,300,000 Presently issued $1,100,000

Principal and semi-annual interest (April 1 and October 1) payable at the option of the holder in Canadian gold coin at The Royal Bank of Canada in Montreal and Toronto, or in United States gold coin at Continental & Commercial Trust and Savings Bank, Chicago or at Agency of The Royal Bank of Canada in New York. Redeemable, prior to maturity, as a whole or in part, upon 60 days' published notice, on any interest date up to and including October 1, 1928, at 105 and interest, and thereafter at 105 and interest less ¼ of 1% for each full year or fraction thereof which shall have elapsed thereafter. Coupon Bonds in denominations of $1,000 and $500, registerable as to principal only. Montreal Trust Company, Trustee.

A portion of this issue has been placed in the United States.

Sinking Fund, commencing October 1, 1930, sufficient to retire over $700,000 of Series "A" Bonds by maturity through purchase at not exceeding the current redemption price or through call by lot at that price.

The following information has been summarized from his letter to us by Mr. E. W. Livingston, President of the Corporation and of Metropolitan Chain Stores, Inc.

COMPANY: Metropolitan Corporation of Canada, Limited, has acquired the ownership in fee of centrally located chain store properties in 10 Canadian cities, including Montreal and Sherbrooke, Quebec; Ottawa, London, Sault Ste. Marie, Peterboro, Kitchener and Brantford, Ontario; Saint John, New Brunswick and Glace Bay, Nova Scotia.

All of these properties are leased to Metropolitan Chain Stores, Inc. and its Canadian operating subsidiary, Metropolitan Stores, Limited, jointly and severally, for a period of 25 years, at an annual net cash rental of $240,000, payable monthly in advance.

BUSINESS: Metropolitan Chain Stores, Inc. operates directly or through subsidiaries, a total of 90 store properties in many of the principal cities of the United States and Canada, supplying at minimum cost a wide variety of low-priced specialty articles. In 1926 aggregate gross business was in excess of $11,000,000. Present indications are that total business for 1927 will approximate $13,000,000 as a result of the present expansion program and the growth in sales of existing stores.

SECURITY: This issue of Bonds, in the opinion of counsel, is secured by a First Mortgage of all of the properties of the Corporation and by the assignment to and deposit with the Trustee of the twenty-five year leases of such properties to Metropolitan Chain Stores, Inc. and Metropolitan Stores, Limited.

Canadian Appraisal Company, Limited, has appraised these properties, on the basis of reproduction cost new less depreciation, at $1,840,075, of which the Series "A" Bonds presently issued represent less than 60%

The unissued balance of Series "A" Bonds may be issued from time to time prior to October 1, 1928. Bonds of other series may be issued under the terms of the First Mortgage and Deed of Trust for refunding purposes and/or to the extent of 60% of the appraised value of additional properties.

EARNINGS: The leases of the properties of the Corporation run for a period of 25 years and provide for the payment by the operating companies of all taxes, insurance and miscellaneous expenses incidental to maintaining the stores and, in addition, an aggregate annual cash rental of $240,000.

Such annual rental is equivalent to more than 3 times the maximum annual interest requirements and more than 2¼ times the maximum annual interest and Sinking Fund requirements of the total authorized issue of Series "A" Bonds.

The rental payable to the Corporation under the leases, in the opinion of counsel, is an operating charge on the consolidated gross revenue of Metropolitan Chain Stores, Inc., and Metropolitan Stores, Limited, ranking equally with similar rental payments of those companies.

The consolidated gross revenue of Metropolitan Chain Stores, Inc. and Metropolitan Stores, Limited, for the year 1926, after deducting cost of goods sold, other rentals and all taxes, except income taxes, amounted to $2,665,104, equivalent to more than 11 times the annual cash rental for the properties of Metropolitan Corporation of Canada, Limited, and more than 25 times the maximum annual interest and Sinking Fund requirements of the total issue of Series "A" Bonds.

GENERAL: The outstanding issues of Preferred and Common stocks of Metropolitan Chain Stores, Inc., are currently selling at prices indicating an aggregate market valuation of these securities of more than $8,900,000.

Legal details have been passed upon by Messrs. Osler, Hoskin and Harcourt, of Toronto and Messrs. Winston, Strawn and Shaw, of Chicago. Appraisals by Canadian Appraisal Company, Limited. Examination of books and review of audits for two years ended December 31, 1926, of Metropolitan Chain Stores Inc., and Metropolitan Stores, Limited, by Messrs. Haskins & Sells, Certified Public Accountants. Interim Bonds are now ready for delivery.

Price 99 and Accrued Interest, yielding over 6.05 %

Greenshields & Co. Hanson Bros.
The Willison Neely Corporation Limited

The statements contained in the above are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

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DODGE BROTHERS EARN PREFERRED DIVIDEND NEEDS

So Declares New York Financial Paper in Review

At their recent low prices, the lowest since the company was publicly financed, Dodge Bros., Inc., bonds, preference shares, and A shares were selling at about $16,000.000 less than the $146,000,000 which the bankers were reported to have paid for the company in April, 1925. The $57,405,500 of convertible 6 per cent. debentures outstanding at 86 have a market value of around $49,000,000. These bonds are the remainder of an original issue of $75,000,000 the balance having been converted into A stock or retired through sinking fund. The 850,000 shares of preference stock at 62⅛ represent a market valuation of nearly $53,000,000, and the 1,935,023 of A shares at 14⅜ are quoted at $28,000,000. The aggregate market value of these three issues is $130,000,000.

Because such a large proportion of the Dodge issues was sold in Canada, the following comments of the Wall Street Journal will have a Canadian interest:

The corporation also has outstanding $5,500,000 of notes, the balance of $8,250,000 issued for acquisition of Graham Bros. truck division, as well as 500,000 shares of voting class B stock which is held by the bankers and for which there is no quoted market.

Sharp Decline in Profits

Decline in Dodge Bros.' securities reflects the sharp falling off in the company's earnings during the current year. Although the 7 per cent. preference shares are selling on a basis to yield over 11 per cent. the latest reports show dividend requirements earned, and interests close to the company express no apprehension over the immediate safety of the dividend. For the two months ended August 31, earnings are estimated at around $1,800,000 after all charges and taxes, or nearly double the dividend requirements of $990,000 for the period. These two months' earnings added to the $5,020,917 reported for the first six months of the year, indicate the company earned in eight months $6,820,971, for dividends, or $870,000 in excess of annual dividend requirements of $5,950,000.

Preference Dividend Already Covered

While results in the final quarter of the year, with the general slowing up in the automobile business, probably will not be as favorable as in earlier quarters, it is apparent the company has built up sufficient surplus during the first nine months, so that it can do considerably worse than break even in the last quarter and still cover its preference dividend requirements for the year without going into its surplus account.

At present, Dodge Bros. preference shares, for the first time since the company's securities were offered to the public, are selling close to their book value. When the preference shares were issued in blocks of one share of preference stock and one share of A stock at 100, the market value of the preference shares was around 85. At that time the company's balance sheet showed an equity for these shares of $5,658,680 or $6.65 a share. Through conversion of bonds into A stock and through reinvestment of earnings, this equity was increased to $48,323,110, equal to $56.85 a share at the end of 1926. So far this year about $3,000,000 of surplus earnings have been reinvested bringing the equity for the preference shares to in excess of $51,000,000 or $60 a share.

Of this increase in equity during the past two years, about two-thirds has resulted from the reinvestment of earnings. In eight months of 1925, $9,841,969 was reinvested; in 1926, the company's banner year, $15,729,420 was returned to the property.

Bond Conversion Benefits Preference

Through conversion of bonds, $14,981,498 has been placed into surplus behind the preference shares. The $75,000,000 of convertible debenture bonds, which were a part of the original financing, carried privileges to exchange up to $30,000,000 of the issue into A stock on a sliding scale in blocks of $5,000,000 and at prices ranging from $30 to $70 for each A share. The first three blocks convertible at $30, $35, and $40, and a small amount of the fourth block, convertible at $50, aggregating $15,025,000, have been converted, increasing the number of A shares to 1,935,023 from the original issue of 1,500,000 shares, and reducing the outstanding total of bonds, including reductions made through sinking fund of $1,000,000 annually, to $57,405,500.

The conversion and retirement of these bonds have strengthened the position of the preference shares through increasing their equity in the corporation's assets and reducing prior interest charges Increased equity results from the fact the bonds are carried on the books at their full par or face value in assets, whereas the A shares into which they are converted are carried at a nominal value of 10 cents a share, having been issued against earnings.

Go Back After Earning Power

The corporation has purchased for retirement $2,750,000 of the $8,250,000 notes issued last year in payment for Graham Bros. and its sinking fund referred to above, is also operative on the debentures. On August 31, cash and marketable securities on hand, exceeded $18,000,000. While low earnings this year are a disturbing influence, it should be remembered the company has been under heavy expense incidental to revamping completely its entire line. Present indications are it will enter 1928 showing fixed charges and preference dividends earned. With the new lines on the 1928 market, and expenses incidental to their development charged off in the previous year, the management will be in a position to concentrate on recapturing some of the company's former earning power.

B.C. Phones Increase Rapidly; Lines Extended

Figures just published show that the British Columbia Telephone Co. had 97,659 telephones in use on September 1, 1927, compared with 94,556 on January 1, and 87,890 on January 1, 1926. There are 1,341 telephones on lines of connecting local companies in the province.

The company's lines, which recently were extended to Kamloops, are now being extended on C. P. R. telegraph poles to Vernon, B. C.

Marketing Board to Show at "Ex"

Empire Marketing Board will have space at Canadian National Exhibition, Toronto, in 1928.

The board has taken about 25,000 square feet of floor space which will be devoted to showing as complete a display as possible of the food products of the Empire. The hall will be constructed on somewhat the same plan as the Empire Marketing Board's exhibit at the British Industries Fair in London earlier in the year, and will probably be decorated with the famous frieze of Empire, especially designed by Maurice Greiffenhagen for Wembley and which was taken to Dunedin for the New Zealand International Exhibition in 1926.

U.F.O. INITIATE SHOPPING SERVICE REPLACING SHOPS

Will Buy Anything Farmer Wants at Wholesale

A shopping service for farmers has been instituted by the United Farmers Co-Operative Co. of Ontario, Toronto. When this company was organized in Ontario, a retail stores division, comprising about 35 stores and carrying stocks of many items used by the farmer, was an important phase of the work, but in a change of management, the new executive decided to discontinue this section of the business. However, in its place there has come this "shopping service." The slogan used in advertising the department is "almost everything for the farmer," denoting that there are some, if not many, articles which are not handled.

In an interview with an official of the United Farmers Co-operative Co., Ltd., in Toronto, Hardware and Metal gathered some very interesting points with regard to the shopping service which it publishes in this week's issue. Primarily the service is claimed to have been inaugurated purely as a service to members. Should any merchandise be required, the farmer writes to the service explaining his wants, and those in that department make it their business to purchase the material and send it to him. Enquiries are received with regard to prices being asked for various commodities in the city and should the farmer's local prices not be in accordance with those in the city, buying is done through the city office of the company. It is understood there is no extra charge for this service, goods being invoiced at cost, plus shipping charges.

The only items not handled through this new department are said to be mechanical goods, such as tractors, engines, etc., or any goods requiring local service.

Got Five Spools of Thread

The shopping service has not been in operation quite long enough to determine what influence is going to be felt in the hardware trade through its existence. It is understood that a considerable business has already been done in milk, dairy and strainer pails. An instance of its completeness in service to the farming community was indicated by the fact that a farmer's wife wrote, asking for five spools of thread of a certain kind, which were readily bought for her and mailed by return.

Should this department of the company be used to any great extent many lines of business, relying on the farming community trade for a good portion of their business, will feel the effect. It is understood the company have wholesale connections where goods can be had at regular wholesale prices, and passing on these values to the farmers will not be f any benefit to the retail trade throughout rural districts.

Heavier Lines Carried in Stock

Through local agents of the company in various sections of the province the heavier lines of hardware, such as fencing, barbed wire, binder twine, etc., are distributed, and in some cases carried in stock. Dealers have felt this competition rather keenly for some time, and with the further addition of the "shopping service," this form of competition is increased.

The membership in the United Farmers Co-operative Co., Ltd., of Ontario, has been greatly increased this year through the formation of a "wheat pool" for the province. The company started this pool, aiming at a membership of 10,000 farmers. The success to which the organization has attained can be judged from the statement that the company now has 9,300 signed contracts from farmers, flour millers and elevator owners. A large quantity of this year's crop has already been handled and the company are offering farmers one cent more per month to hold their grain until it can be handled in the province. This it is claimed will keep the Ontario mills and grinders working steadily for a much longer time than if the grain was sold for export.

The "wheat pool" has been the chief factor used to increase the membership to its high level, and the shopping service is another development which is expected to appeal to the farmers and help to hold their interest in the concern.

Selling Binder Twine Now

Binder twine is just now probably the item of keenest competition between the U. F. O. and the retail hardware store. The sales of that commodity through the former organization this year have been equal to that of 1926, but there has possibly been more twine used. A considerable stock was carried over from last year in certain parts of the Dominion, and that naturally reflects in the buying for 1927.

Further developments in the U.F.O. shopping service will be watched with interest by many in the retail trade, and this is broader than an Ontario affair, because of the fact that the U.F.O. Co-operative Co. in this province is now working in very close touch with similar organizations in other provinces in connection with grain marketing and there is little doubt but that various practices such as a "shopping service" will become standardized throughout most parts of the Dominion. If this is the case it will represent a certain portion of rural hardware needs which will be supplied direct to the farmer by his organization.

SIX APPRAISERS WILL GIVE EXPERT AID TO CUSTOMS

Appointments Follow Clean Up by Mr. Euler

One of the most momentous of recent reforms in the Canadian department of national revenue has been the move on the part of the minister, at Ottawa, Ont., to establish a new system of Dominion appraising, the officials of which have jurisdiction over six groups of industries, according to an Ottawa despatch to Hardware and Metal.

The new plan, as outlined by Hon. W. D. Euler, Canadian minister of national revenue, calls for the appointment of six Dominion appraisers who will have direct charge of the valuation of goods in their respective groups which are imported into the Dominion from all other countries.

The new officials appointed thus far include those for textile goods of all description, boots, shoes, leather and rubber goods. The others to be appointed will have jurisdiction over three other key industries, and, in addition, consideration is being given the appointment of a chief appraiser for the hardware and steel industry.

The appraiser for leather and rubber goods of all kinds is J. G. Jones, of Montreal, formerly with Henry Morgan & Company, Ltd., and previously with Ames, Holden and McCready, Ltd., Montreal, and the Slater Shoe Co. Ltd.

Qualifications Required

These appointments, it is stated, have been made strictly in accord with trade qualifications and, regardless of political leanings, as it is the desire of the minister of national revenue to secure trade experts for the important positions. Because of the nature of the work, they must be able to judge material, quality, and must have first-hand knowledge of market values, with actual trade experience, so that they may be able to check up on valuations for customs purposes. It is stated that the situation has been scanned in each case so that men of superior trade standing could be selected for the new government posts.

Following the appointment of the Dominion appraisers for the six industrial groups, the next step will be the establishment of an expert appraisal system, the personnel of which will be qualified assistant appraisers at each of the principal ports of entry in the Dominion. These men will also be selected for trade qualifications and will be outside the realm of politics, it is stated. They will work under the general direction of the Dominion appraisers, who will make frequent trips to various Dominion ports for the purpose of checking up valuations on shipments for duty purposes.

New Men Appointed

Although some of the officials in the present customs department will be placed in charge of port appraisal work, it is pointed out that the large majority of the assistant appraisers will be new men altogether. Arrangements are being made for the civil service commission of Canada to advertise for assistant appraisers, outlining the trade qualifications required. Trade merit will govern the appointments.

In the past, members of the clerical staff of the customs department have worked up to the appraisal status by reason of promotions governed by seniority. In so far as appraisal work is now concerned, this will be discontinued except where a man in the service is qualified by experience to judge actual quality of goods and to pass judgment on current market prices. Promoted clerks in the past have been inclined to accept import invoices as the sole mark of determination in appraisal. They were excellent clerks but poor appraisers. The new plan is correcting all of this.

Will Be Slow Process

The process will naturally be slow, it is pointed out, because it will not be possible to find qualified men overnight. Another simultaneous development, it is announced, is the abolishment of many Canadian ports of entry where imports and import revenue are very meagre. The work is gradually being concentrated in the more important ports, leaving the customs preventive staff to look after remote coast lines and boundaries.

The chief desire of Hon. Mr. Euler, Canadian minister of national revenue, it is stated, is to place the customs appraisal system on a highly practical basis, employing only those men who have wide, personal knowledge of actual materials, actual goods, actual market conditions, current market prices, actual quality of commodities, etc., so that the Dominion government will be able to talk business to all importers and to have the real facts to back up every customs ruling. There will be no political axes to grind, and the government hopes to secure the last cent of revenue that is due from all sources. It will mean a tightening up of customs collections.

DENY PURCHASE OF COTTON MILLS

Canadian-Connecticut Cotton Heads Squelch Rumors of Control Change

From Our Own Correspondent

MONTREAL.—Reports of a struggle for control of the Canadian Connecticut Cotton Mills at Sherbrooke, P.Q., by big American interests and one of the leading textile companies of the Dominion, have been denied by officials of the Canadian Connecticut. The report was published in Montreal last week, stating that an offer of $68 a share had been made for the preferred stock by U. S. interests and that a leading Canadian textile company had entered into competition with a counter bid. The stock is quoted at around 50 on the Montreal stock exchange.

S. R. Fuller, Jr., chairman of the Canadian Connecticut Cotton Mills' Board of Directors, when questioned as to the authenticity of the report, stated that it was absolutely without foundation insofar as he was aware.

The Canadian Connecticut Cotton Mills established its plant at Sherbrooke, Quebec, some thirteen years ago, where it has engaged in the manufacture of square and cord fabrics for automobile tires and also of cotton yarns. The mill, which is of modern construction and equipped with 38,000 spindles, has been selling its entire output to Canadian manufacturers. This mill, in common with other Canadian tire fabric industries, was hard hit in the period of depression which followed the over-expansion programme necessary to meet war conditions. The company has been forced for several years to fall back upon its surplus account to provide not only for its preferred dividend, but also for depreciation charges. Notwithstanding the difficulties it has had to face, it has succeeded in maintaining itself in a satisfactory liquid position and last year paid $4 a share on its 30,000 shares of 8 per cent. cumulative preferred stock. No earnings have been paid on the common stock for the past five years. There are 100,000 shares of common "A" of a par value of $10 outstanding and 50,000 shares of common "B" outstanding.

The continued growth and expansion in the use of the automobile in Canada has had a beneficial effect on the company's business and it is understood that the increased demand for its products will be shown in an improvement in the earning powers of the company in its next annual statement.

Holds Sherwin-Williams Stock Will Soon be Split

Sherwin-Williams Company of Canada is an outstanding example of a successful Canadian paint and manufacturing business, says a review by Johnston and Ward. The company consists of five units, including Sherwin-Williams products, Martin-Senour, Canada Paint Company, and International Varnish Company, with factories in Montreal, Toronto, Winnipeg and Vancouver, and manufacturing paints, varnishes, linseed oil, colors, lacquers, etc., and operating tin can and box factories. The company, a strictly Canadian organization, was formed in 1911 to take over the Canadian business of the Sherwin-Williams Company of Cleveland, and this connection and that with Lewis Berger & Sons, of England, has been a valuable asset for the Canadian company.

The business of the company has shown steady expansion for a number of years past, and its financial position has been strengthened through substantial surpluses beyond dividend requirements. During the past ten years its earnings have amounted to around 10 per cent. on the common stock on an average per annum. The peak to date was reached in 1920, when 18.35 per cent. was shown as earned on the common. A deficit followed for 1921 as a result of the worldwide deflation, and a heavy drop in inventory values as well as turnover. Since 1921 earnings applicable to the common stock have been as follows: 1922, 11.20 per cent.; 1923, 13.76 per cent.; 1924, 8.49 per cent.; 1925, 8.97 per cent., and 1926, 9.53 per cent. Current earnings will show a considerable increase over those of last year. During the past few weeks the common stock has advanced to well over the $200 level, and anticipations of a split in the stock in the near future, or other favorable action, are widely held. The wiping out of the outstanding bonds is considered to have placed the company in a favorable position for some distribution to the shareholders. According to the last statement the profit and loss surplus amounted to $3,907,231, with net working capital of $4,016,926.

Profits on Nickel Used to Buy Irish Hunters

Canada in the last year or so has been having a bull market all of its own in mining stocks and a good deal of the buying in International Nickel has come from Canada, where several large fortunes have been made in the recent advance in the stock, says the Wall Street Journal.

One investment that these profits are going into is Irish hunters. In spite of the fact that business with England is very bad at present Irish horse breeders are prosperous and a man just returned from the Emerald Isle states that from 70 to 100 horses a week are being shipped to America, the majority of which are going to Canada.

Incidentally the remarkable increase in Canadian wealth in the last few years is probably no mean factor in our own bull market. Tall rises in a number of market leaders might be traced back to Montreal and Toronto.

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WALKERVILLE, ONTARIO

Sir Joseph Flavelle Says Canada Has Seen Its Boom

(Continued from page 17)

cannot go to the north country without feeling ashamed of your ignorance concerning what has taken place only a night's ride away from home.

May Stretch Across Prairies

The manager of one of those properties, when I was up in that country a year ago, said to me, "This mineralized area which you have in Northern Ontario and Quebec will, I think, be found to run across Manitoba, Saskatchewan, and Alberta, gradually working north and breaking out irregularly. I have no doubt that as the years go by, there will be other Hollingers and Teck-Hughes mines, and Wright-Hargreaves, as well as a percentage of failures."

Now, there is especial significance in all this. For years we have been thinking about these thousands of miles of rock and water that break us off from the prairie provinces. That will all be changed. When I was a boy we thought of everything west of the Detroit River as "West"; then when I came into young manhood the boundary was shifted to the Mississippi, and now we have shifted it to the Rocky Mountains. In the United States everything west of the Rocky Mountains is "West"; everything east of the Rockies to the Mississippi, is the "Middle West"; everything from there to the Detroit River is "Middle East," and then we have the "East." It is pretty difficult to know where the line of demarcation is between us and the West.

When you get on the train here tonight and get off in Winnipeg 30 hours later you enter a new community. If it be possible, through these mineral deposits, to develop a somewhat continuous body of population, engaged partly in agricultural, partly in mining and partly in commercial pursuits, it will be of immense political significance. You can imagine the consequences of having the more active part of the province of Ontario and the province of Manitoba and the other prairie provinces connected by a stream of populated communities.

Railways Belie Whispers

Now, consider what has happened in connection with the Canadian National Railway System and the Canadian Pacific Railway System. It is only the other day that we had the "Whisper of Death" emanating from a great city and proclaiming that we would be bankrupted by our railway operations. It is only four years since the Senate met in committee—the Great Committee of the Senate—for the purpose of considering what could be done to save the country from the calamity of the National Railways System. Having had the privilege of some little association with the railway problem for a short time, I find that it—to use the Englishman's expression—"intrigues" me to view the change that has come about.

The Canadian National Railways which in 1920 received for passengers and freight $32,000,000 less than it cost to carry them, in 1926 received from passengers and freight $48,000,000 more than it cost to carry them—a difference of $80,000,000 in 6 years, during which we were proclaiming to the world that we were going to ruin and destruction because trade was bad, and when the churches were told: "You will have to get along without money for your expansion work until we get more money." To show that the Canadian National did not steal that trade from the C.P.R., I may say that the comparative figures for the C.P.R. show, not as large an increase, but a very substantial one.

The Canadian National Railway System in 1926 actually had net earnings equal to the entire interest charge upon all the securities of that railway held by the public—not the debits on the books of the Dominion Government, but all the securities issued to the public. Will they do it each year? I do not think so, I would not be surprised at all if the figures were not as good at the end of this year. But that need not disturb us. That is one of the things which indicates what happened when we let loose this extraordinary amount of liquid cash in every province.

Need More People

We accomplished this improvement with practically the same number of people we had before. That is the misfortune of it. If we had increased our population as we have increased in cash, we would have had a different story to tell. I feel rather concerned that we should be called the third richest people in the world, per capita. What we really need is far more people distributed among far more activities and taking advantage of our enormous natural products and developing them, so that this body of wealth, instead of being distributed over the same number of people, should be distributed over a larger number who would be producing a correspondingly greater number of products.

What do the figures of our general trade indicate? Those figures are more or less disturbed by the fact that the dollar in 1914 was worth very much less, but bought very much more than it would buy in 1926. Our export and import trade in 1914 amounted to $1,100,000,000; in 1926 it amounted to $2,300,000,000. In 1914 we imported $163,000,000 in excess of our exports; in 1926 we exported $224,000,000 in excess of our imports, a comparison of the trade balance for the two years showing a betterment of $387,000,000.

Are Buying Imported Goods

We are not doing as well this year. You may have your own opinion of the reason why; I should think it arises partly from the fact that we are making money and spending more on imported goods. That is rather natural.

Now, what are the implications of all this? They are a robust belief in Canada and a robust belief in these conditions, because the facts were before any one who wanted to find them; and I can say with frankness, because I am a Conservative and because I believe in protection, that when we were proclaiming to the world that we could not get on unless we had tariff, and more tariff, up to the point of brick for brick, it was not true. That is all. We did need an adjustment of the tariff, and we do now. I am not talking politics. I think the implication for any body of men who have to do with the active productivity of various Canadian enterprises is that they will be disappointed if they think the ratio of advance will continue to go on as it is going now, because their minds have not been fixed upon what a great advance was made during and since the war.

No Stock Market Prophet

When the present stock exchange boom will crack, I do not know. I do not know what will happen when it does, or what circumstances will lead to it. I do not know what will happen when the inevitable reaction comes from a period of expansion. We cannot always deal in superlatives. There comes a time when psychologically the human family cannot go on, and then we do feel the reaction; we will say we were all fools. I do not think this is a time to croak and say that we have a bad time ahead of us. I do not believe that we have. I think this is a time for greater sanity.

I suppose it would be almost unwarranted for me to say anything to men who feel that they are thoroughly warranted in making some money on the stock exchange. I have no criticism of that; that is not my business. But do not forget that there is no real profit to the country and no real betterment to enterprise because a stock exchange speculation or gamble turns out profitably. There is a prospective profit on the value of the security, but as sober men we must not overlook the fact, because after all, we have to live on business, and not on stock exchange speculation — that there still must be in every community a body of men who love to do business for the sake of the business, and who do it well and keep on doing it well. That is what we have to count on. I am raising no scarecrows, but I am bound to recognize that we have had the benefit of a period of fine business, much better than we realize, and that we must get rid of the idea that we are just entering such a period and that everything is going to be better farther on.

Changed Views in West

Now, just this added word. I have been going to the West more or less consistently since the year 1880. I have always been a great believer in the West, but I was wholly unable to accept the general wave of pessimism that swept over the prairie provinces following the deflation of agricultural values in 1920, and the one thing that impressed me on a recent visit to Winnipeg, Edmonton, Vancouver, Victoria, Calgary, Regina and Saskatoon, was the recovery by the Western man of his self respect. All the bitter feeling that he had towards all and sundry in 1920-21-22-23 had gone by.

There are still many things to adjust. There are a good many debts still undischarged, and many that will not be discharged except under compromise conditions. There are still large acreages of land which were foreclosed and which have not yet been absorbed. But the feeling of the man of the West that his hand is against everybody's and that everybody's hand is against him has passed by. And this is the interesting fact: It has gone by reason of the returns which he has received from his own effort, unaided by Parliament—his own effort and the gracious act of Providence which has resulted in hundreds of millions of dollars of new money coming out of the ground each year. I said without the aid of Parliament. Last session Parliament granted certain privileges with regard to the borrowing of money; but they have not yet become effective. The Railway Commission this year granted relief by way of lower freight rates to the Pacific coast; but they went into effect only on the 1st of September. Parliament is determined that it will build the Hudson Bay Railway, which is the pet scheme of the West; but it is not yet effective. All the change that has taken place in the West has taken place in the same prairies, populated largely by the same people who three or four years ago said they were broken, but who looked for relief where all men ought to look for relief—first, last, and always—under their own hats.

Belgian Government Aids Canadian Traders

Canadian business men intending to travel to Belgium may be interested to know that a Belgian state institution will readily assist them in establishing connections with Belgian merchants and producers.

The "Office Commercial de l'Etat" situated in the centre of Brussels (15 rue des Augustins) constitutes a section of the Department of Foreign affairs and its services are entirely gratuitous.

In its reading hall are deposited about 650 commercial periodicals and numerous trade directories from all parts of the world; a special staff supplies freely all kinds of information as to sources of supply and as to outlets of merchandise; foreign business men have at their disposal rooms for meeting Belgian manufacturers, and their mail may be addressed to the care of the Office if they so desire.

The Belgian Consulate General at Montreal will advise the Office Commercial de l'Etat of the intended visit of Canadian merchants and eventually arrange interviews with representatives of Belgian suppliers or buyers in any particular line.

Pool Building Elevators

Contracts have been awarded by the Alberta Wheat Pool for the construction of two more elevators, it is announced from the head office of the pool in Calgary. These will be 35,000-bushel houses located at Sauki and Rainer on the newly completed Bow Slope branch of the C. P. R. This will bring the total number of elevators owned by the Pool at country points in the province up to 157.

STEWART, McNAIR & CO.
Members Toronto Stock Exchange
Direct Private Wires to
Montreal, New York and Chicago
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TORONTO STOCK EXCHANGE BUILDING, TORONTO

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Canadian, British and American Securities Bought and Sold on all Principal Exchanges for Cash or on conservative margins.
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OSLER, HAMMOND & NANTON
LIMITED
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Members of the Montreal Stock Exchange
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HALIFAX SAINT JOHN, N.B. QUEBEC
OTTAWA TORONTO WINNIPEG
MONTREAL
Direct Private Wire to all Branches and New York

Lake of the Woods Milling Company Limited
and Subsidiary Companies

Combined Balance Sheet
as at August 31, 1927

The Balance Sheet of the Company shows a substantial increase in earnings over the previous year. For the year ended August 31, 1927, operating profits amounted to $634,378.00 as against $271,791.00 in the previous year.

After providing for the usual dividends, etc., surplus account stands at $714,197.05.

Following dividends were paid:

Dividend Preferred Stock for year	$105,000.00
Dividend Common Stock for year	420,000.00
Written off property:	
Lake of the Woods Milling Company	60,000.00
Subsidiary Companies	15,000.00

The above is a good showing when the condition of the milling industry is considered.

In the domestic market competition has been very keen as usual. A hopeful feature is the increased immigration, which will add to the number of consumers of flour in Canada. In this industry, as in other lines of Canadian business, immigration is a considerable factor in future improvement.

The export market has been poor. We have had to contend with increased tariffs and other restrictions imposed by some European countries, as well as with the keen competition of American mills which have been able to buy wheat at an average lower price than Canadian mills could do. There has also been heavy price cutting by British millers which has affected prices for Canadian flour in Great Britain.

The Company's plant has been maintained in its usual efficient state.

Eleven Times What It Was Eleven Years Ago

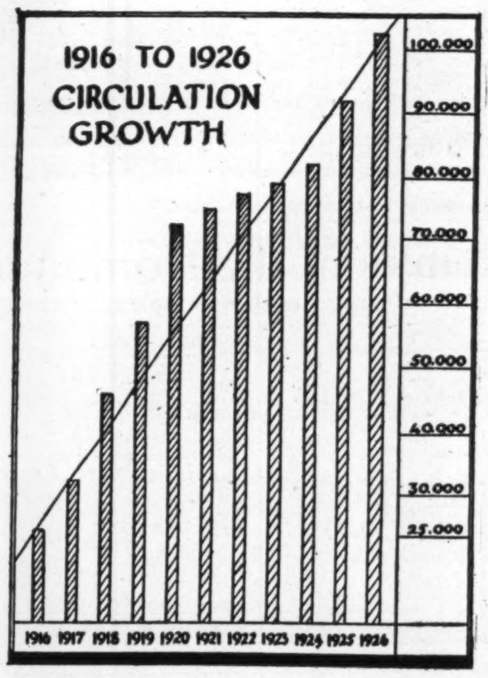
The past few years have been universally looked upon as severe tests of the basic soundness of any business structure or industrial institution.

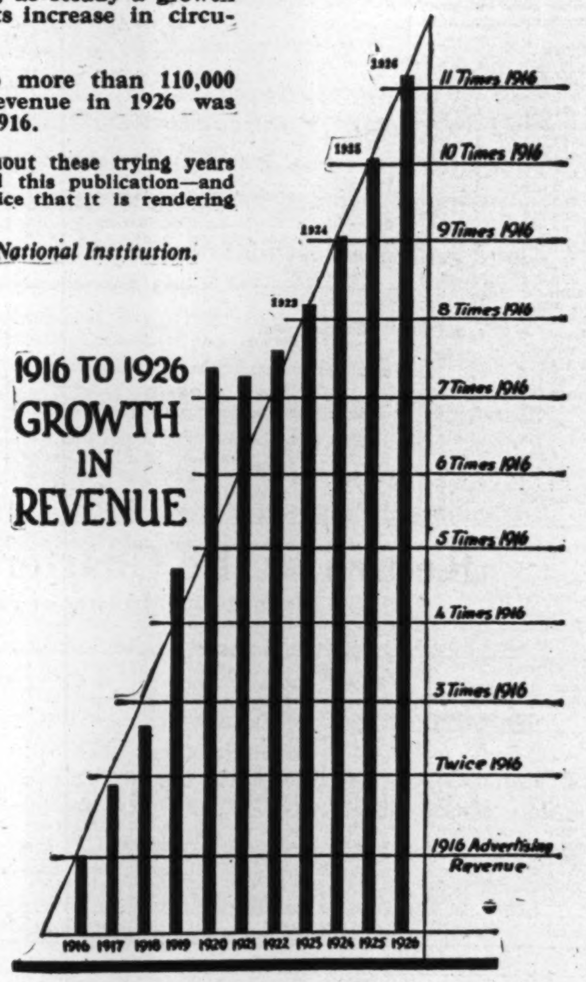
FEW industries or institutions in Canada, or in any country, can show, during the past eleven years, as steady a growth as MacLean's Magazine, as indicated by its increase in circulation and advertising revenue.

The circulation has grown from 25,000 to more than 110,000 copies each issue; and the advertising revenue in 1926 was more than Eleven Times what it was in 1916.

This remarkable and consistent growth throughout these trying years is evidence of the soundness of the policy behind this publication—and proof of the valuable and highly satisfactory service that it is rendering to readers and advertisers alike.

—*MacLean's is more than a Magazine, It is a National Institution.*





1927 Best of All

The first six months of 1927 show another tremendous and most gratifying advance in advertising volume—an increase of 20 per cent. over the first six months of 1926

"It Grows *because* It Serves"—MACLEAN'S
CANADA'S NATIONAL MAGAZINE

Mr. Manufacturer: You will find it easiest to sell your product to the homes which regularly buy ours.

Current Events in Banking World

POUND'S STRENGTH SHOWS NEW YORK LEADS IN FINANCE

Temporarily, at Least, It is Handling World's Banking

Since England's return to gold payments in April, 1925, discussion of the variations in sterling exchange rates has ceased, outside of purely financial quarters, to attract particular attention. It has not been a daily front page newspaper story. Sterling had provided dramatic interest during the war and the immediate post-war period. Its rise to the unheard-of rate of $7 to the pound in the August war panic of 1914, as against the normal parity of $4.86⅝, and its fall in February, 1920, to $3.18—a lower rate than was reached when Napoleon returned from Elba in 1815—were events that touched the public imagination. Once linked again to the gold-standard basis, sterling, which could now only swing back and forth in the narrow margin between the "gold-export point" and the "gold-import point," became a dull subject. But something appears to have happened this season again to make the sterling rate a matter of popular discussion. The New York Times in an editorial reviews the question.

Sterling's traditional movement in the autumn has always heretofore been

(Continued on page 26)

Where Latch-string is Out to Profitable Accounts Only

For a bank to have savings accounts which have $700 as an average balance is a remarkable thing. D. D. Kimmel, president of the Midland Bank of Cleveland, tells how this average was built up by his bank, in the October issue of the Bankers Monthly.

Among other things, he says: "This high average (as well as the still higher average of our commercial department accounts) is primarily due to the policy which the bank adopted when it first opened for business, six years ago April, and to which it has consistently adhered.

"Always, it has been our aim to build up the volume of deposits rather than the number of accounts—in recognition of the essential fact that bank profits depend upon the aggregate of loanable funds, whereas operating expenses mount with every increase in the number of accounts to be handled. With this fact always in mind, the Midland has consistently shaped its general new business and advertising effort so as to produce the largest possible proportion of genuinely profitable business."

Opens New Branch

The Bank of Nova Scotia has opened a branch at Henribourg, Sask.

More Bank Branches Opened in September

A net gain of eight new branches for the month of September is reported by the Canadian chartered banks. During the month ten new branches were opened and only two closed. The list of branches opened and closed during October follows:

Opened

Can. Nationale—Village Ste. Anne de la Perade, Que.

Imperial—Walkerville, Tecumseh Road.

Nova Scotia—St. Catherine St., Montreal; Dalhousie, N. B.; North Hill, Calgary.

Standard—Adelaide and Yonge Sts., Toronto; Mendham, sub to Leader, Sask.

Toronto—Windsor, Ont.

Weyburn Security—McCord, Sask.; Summer Cove, Sask.

Closed

Montreal—Stayner, Ont., sub.

Royal—Mendham, Sask., to Leader.

Weekly Bank Clearings

(In comparison with the same week last year)

Eastern Cities	Oct. 7,1926	Oct. 6, 1927
Halifax	$ 4,137,299	$ 3,702,250
Moncton	922,369	933,130
Saint John	2,664,837	2,729,757
Quebec	6,491,503	7,453,592
Sherbrooke	1,069,791	1,077,233
Montreal	137,854,277	177,211,755
Ottawa	7,502,281	8,572,174
Kingston	1,047,922	1,210,401
Toronto	112,660,440	173,315,733
Hamilton	6,608,415	7,444,605
Brantford	1,561,227	1,634,265
London	3,531,166	3,852,559
Chatham	661,096	739,910
Kitchener	1,373,979	1,453,549
Western Cities	**Oct. 7,1926**	**Oct. 6, 1927**
Ft. William	$ 1,134,529	$ 1,164,625
Winnipeg	77,460,770	64,523,198
Brandon	949,030	848,694
Regina	6,383,384	6,751,875
Moose Jaw	1,761,417	1,845,636
Saskatoon	2,496,758	2,742,230
Prince Albert	460,637	507,952
Calgary	6,363,567	8,606,181
Edmonton	6,627,773	6,847,808
Medicine Hat	395,941	505,080
New Westminster	1,031,437	959,525
Vancouver	18,615,792	18,686,848
Victoria	2,405,937	2,792,041
Lethbridge	....	718,614

Banks Show Further Growth in Business

Two or three years ago, The Financial Post pointed out on a number of occasions that one of the strongest features in the then uncertain business situation was the fact that Canadian business had plenty of working capital. It was suggested that the plentitude of money in the country augured well for a rapid return to prosperity as soon as business conditions began to shape up, for business expansion would not be hampered for lack of funds. The banks had plenty of money; they had trimmed their sails to stand good weather or bad. Large sums were invested by them in liquid assets such as easily marketable bonds and New York call loans, money that could readily be transferred as needed to more productive uses such as loans to commercial operations in Canada. As business has expanded, this trend to higher current loans has been most marked and still continues. And to-day there is still no indication of a shortage of business capital. The banks' assets continue to grow as savings deposits accumulate and there is ample money to care for the needs of business that is certain to expand further.

The government bank statement for August shows total assets of the banks back to the three million dollar mark again after a temporary and seasonal recession. Savings and demand deposits are at a high figure. Current loans show a substantial increase as do call loans both in Canada and abroad. The statement is again a very healthy one and it is apparent that the banks entered the crop moving season well equipped to handle their heavy burden.

Non-current loans continue to decline despite the large increase in the total amount on loan, an indication that many weak business concerns are working around to a better position.

Another interesting feature of the statement is that bank premises are carried at a lower figure than a year ago. This reflects the closing down of branches as much as writes off from this account. However, the swing back is becoming apparent as branches in new districts become essential and bank premises increased in August from July.

Conditions that promise steady advance in banking profits are indicated in the bank statement, conditions that justify the recent increases in bank stock prices.

The Financial Post's analysis of the bank statement follows:

BANK STATEMENT FOR MONTH OF AUGUST

Immediately Available Liquid Resources

Assets	August, 1927	July, 1927	Change	August, 1926	Change
	$	$	$	$	$
Specie	67,095,519	70,056,136—	2,960,617	64,005,002+	3,090,517
Dom. Notes	113,019,464	100,355,417+	12,664,047	112,820,117+	199,347
Gold Reserve	66,070,332	68,620,332—	2,550,000	68,210,332—	2,140,000
Foreign Banks	68,859,341	64,345,426+	4,513,915	72,789,190—	3,929,849
Foreign Curr.	22,751,041	19,248,759+	3,502,282	24,228,102—	1,477,061
Govt. Secs	334,893,622	337,583,324—	2,689,702	343,313,924—	8,420,302
Call Loans Abroad	253,329,993	239,893,335+	13,436,658	245,193,882+	8,136,111
	926,019,312	900,102,729+	25,916,583	930,560,549—	4,541,237
Loans and Securities Other Than Those of Canadian Government					
Pub. Sec.	137,099,921	140,687,410—	3,587,489	124,087,959+	13,011,962
Rly. Secs.	63,977,621	63,393,766+	583,855	60,769,703+	3,207,918
Can. Call Loans	192,344,392	184,563,897+	7,780,495	139,068,541+	53,275,851
Current Loans	1,025,605,519	1,016,332,036+	9,273,483	945,274,265+	80,331,254
Loans Abroad	262,552,120	264,757,252—	2,205,132	261,404,476+	1,147,644
Mun. & Prov. Loans	86,235,550	82,703,512+	3,532,038	83,014,091+	3,221,459
	1,767,815,123	1,752,437,878+	15,377,250	1,613,619,035+	154,196,088
Other Assets					
Non. Curr. Loans	8,990,430	8,993,852—	3,422	9,649,439—	659,009
Real Estate	7,834,133	7,804,755+	29,378	8,325,017—	490,884
Mortgages	6,391,752	6,337,249+	54,503	5,691,797+	699,955
Premises	70,912,978	70,816,053+	96,925	71,369,679—	456,701
Lets. of Cred.	72,541,692	73,527,814—	986,122	70,342,321+	2,199,371
Loans to Comp.	6,847,144	7,246,602—	399,458	5,682,777+	1,164,367
Other Assets	2,837,046	2,908,634—	71,588	2,944,863—	107,817
	176,355,175	177,634,959—	1,279,784	174,005,893+	2,349,282
Total	2,870,189,610	2,830,175,561+	40,014,049	2,718,185,477+	152,004,133
Note Cir. Dep.	5,923,870	5,922,792+	1,078	5,760,453+	163,417
Int. Bk. Bal.	128,231,530	124,954,162+	3,277,368	122,298,851+	5,932,679
Gross	3,004,345,010	2,961,052,515+	43,292,495	2,846,244,781+	158,100,229
LIABILITIES TO THE PUBLIC					
Liability to Government and Circulation					
Circulation	166,646,392	174,406,053—	7,759,661	167,047,033—	400,641
Dom. Govt.	70,082,755	53,056,483+	17,026,272	47,111,233+	22,971,522
Prov. Govt.	19,827,412	26,784,508—	6,957,096	16,425,447+	3,401,965
Govt. Advances	25,950,000	17,050,000+	8,900,000	14,300,000+	11,650,000
Deposits by Public					
Demand Dep.	571,333,964	551,128,679+	20,205,285	532,475,594+	38,858,370
Savings Dep.	1,389,703,490	1,379,013,600+	10,689,890	1,343,116,753+	46,586,737
Total	1,961,037,454	1,930,142,279+	30,895,175	1,875,592,347+	85,445,107
Foreign Dep.	333,704,507	336,756,951—	3,052,444	323,885,477+	9,819,030
Due Banks Abroad, Etc.					
United Kingdom	6,501,902	6,094,374+	407,528	6,796,306—	294,404
Foreign	45,300,348	47,677,185—	2,376,837	33,379,170+	11,921,178
Bills Pay.	10,399,696	8,316,177+	2,083,519	13,261,826—	2,862,130
Lets. of Cred.	72,541,692	73,527,814—	986,122	70,342,321+	2,199,371
Other Liab.	2,372,565	2,523,208—	150,643	1,768,123+	604,442
Pub. Liab.	2,714,364,723	2,676,335,032+	38,029,691	2,569,909,283+	144,455,440
Due Bet. Banks	10,694,866	9,100,608+	1,594,258	10,283,666+	411,200
Liability to Shareholders					
Dividends	2,828,833	1,322,341+	1,506,492	2,665,340+	163,493
Reserve	130,881,920	130,780,150+	101,770	125,441,790+	5,440,130
Capital	122,604,880	122,503,110+	101,770	117,064,521+	5,540,359
Gross	2,981,375,222	2,940,041,241+	41,333,981	2,825,364,600+	156,010,622

Staff Gossip

The Royal Bank announces the following staff changes: A. B. O'Connor, accountant at the Alexandria branch, has been transferred to Pembroke; W. J. Goulet, teller at the Alexandria branch, transferred to Aylmer, Que.; L. M. Hart, of the Calgary, Hillhurst branch, transferred to Bruderheim as manager; E. McLean, of the Montreal branch, has been appointed manager of the New Westminster branch.

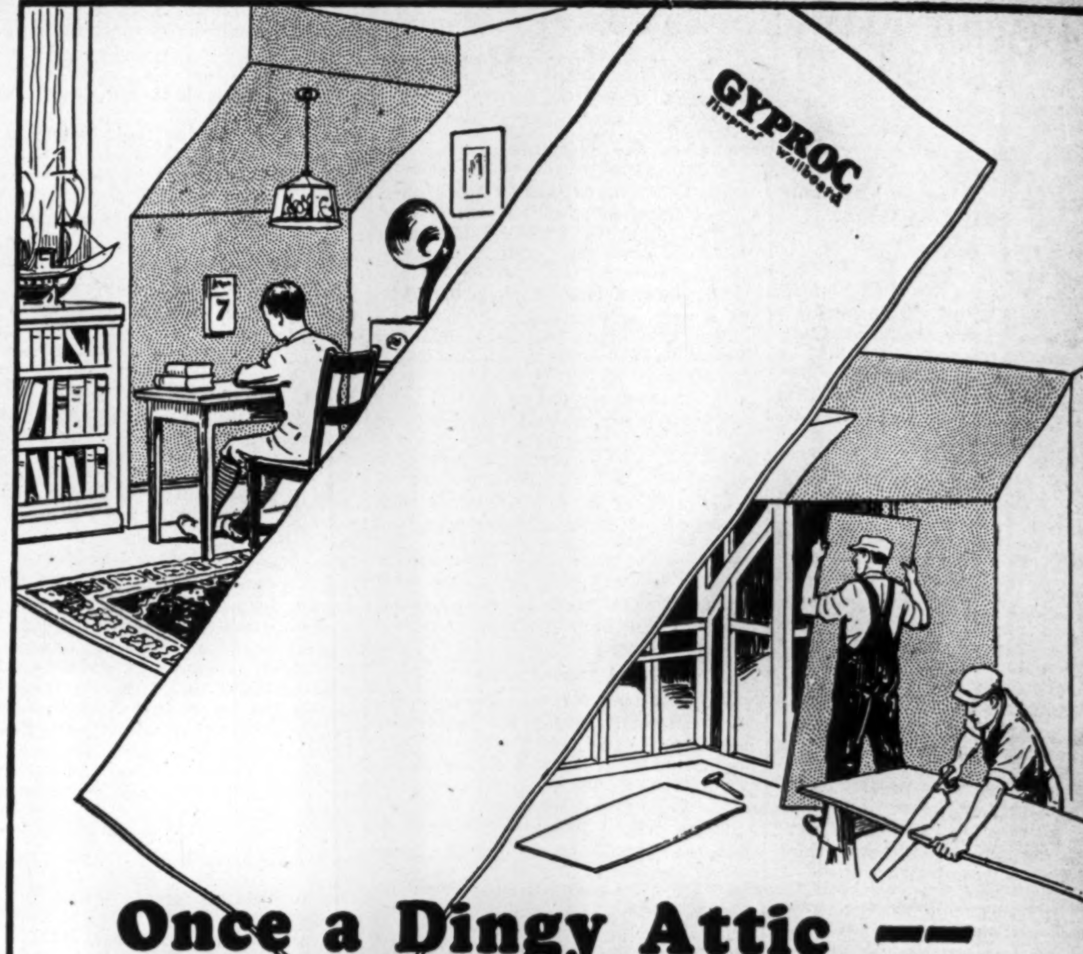
J. G. Penney, manager of the Prince Albert branch of the Bank of Nova Scotia, has been appointed to take over the management of the Saskatoon branch.

The Dominion Bank announces the following staff appointments: A. Tomkins, has been appointed manager at Camrose; F. E. Havill, formerly manager at Davenport Road and Lawton Avenue branch, Toronto, has been appointed manager at the West Toronto branch and is succeeded at the former office by R. W. M. Thomson; R. R. Buchanan has been appointed accountant at Oshawa.

The Dominion Bank announces the following staff appointments: L. C. Brown, formerly manager at Medicine Hat, has been appointed manager at Saskatoon, and is succeeded at Medicine Hat by W. S. Ashley. J. G. Foggo has been appointed accountant at Calgary branch and W. D. Cockerill has been appointed to a similar position at Portage Ave. branch, Winnipeg. E. D. White has been appointed assistant accountant at Winnipeg.

Closes Waterford Branch

The Bank of Toronto has discontinued its branch at Waterford and the business of the branch taken over by the Bank of Montreal.



Once a Dingy Attic —— Now —— Two Beautiful Rooms

GYPROC Fireproof Wallboard has transformed thousands of dark, dusty, inaccessible attics into clean, comfortable, cosy extra rooms—bedrooms, children's playrooms, radio rooms and every other kind a home requires.

At trivial expense Gyproc will give you extra rooms that are warm in winter, cool in summer and fireproof. The large, sturdy boards of solid rock are ready to nail to studding and joists, or directly over damaged walls. Gyproc is the most economical gypsum board you can use, quickly and easily put up. It will not burn, warp, crack nor shrink and will take any decoration.

Ask to see a full size Gyproc board all ready to use, for remodelling or construction work. Any of the following dealers will gladly show you. Also write us for free booklet "My Home" which tells about the cold proof, heat proof and fireproof qualities of Gyproc, Rocboard Gypsum Insulating Sheathing and Insulex.

"GYPSUM-IZE" Your Buildings Large and Small
Every building should be Gypsum-Ized. Rocboard Gypsum sheathing, Insulex insulation and Gyproc Fireproof Wallboard will make your buildings cold proof, heat proof, fireproof.

THE ONTARIO GYPSUM CO., LIMITED - PARIS, CANADA

On the T. & N. O. and Rouyn lines
HILL-CLARKE-FRANCIS LTD.
and the
GEO. TAYLOR HARDWARE LTD.
are our agents, but Gyproc can be secured from any good builder's supply dealer in any city, town or village.

GYPROC
Fireproof Wallboard

Why build to burn? Gyproc does away with inflammable wood-lined walls, roofs, ceilings and partitions

135

Return of the Chartered Banks of the Dominion of Canada August 31st, 1927

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 32, of the Statutes of 1923

LIABILITIES

BANK	Notes in Circulation	Due to Dominion Government	Advances under Finance Act	Due to Provincial Gov'nm'ts	Demand Deposits in Canada	Saving Deposits in Canada	Deposits elsewhere	Bal. due to other banks in Canada	Due to Banks in U.K.	Due to Banks elsewhere	Bills Payable
	$	$	$	$	$	$	$	$	$	$	$
Montreal	42,699,143	47,561,220	....	5,039,354	138,735,873	380,858,637	81,581,262	2,036,499	1,364,921	6,150,672	889,461
Nova Scotia	14,110,862	2,626,988	....	461,697	35,738,457	121,814,196	33,118,667	2,178,637	57,865	1,313,244	537,526
Toronto	7,581,693	556,800	....	362,631	33,599,300	58,072,997	....	654,332	264,107	1,667,539	1,657,367
Provinciale	3,932,318	185,109	1,450,000	209,683	5,896,304	32,938,627	....	581	....	5,755	....
Commerce	25,700,115	8,684,344	5,000,000	3,153,008	118,833,438	228,064,021	38,532,276	634,124	1,178,017	10,744,809	252,969
Royal	36,905,273	5,258,643	5,000,000	6,951,926	133,436,577	289,123,419	177,123,151	1,279,788	2,085,053	20,711,570	6,791,753
Dominion	7,484,929	1,319,928	2,500,000	343,114	28,533,364	67,023,203	1,849,140	1,247,830	364,522	1,369,107	270,620
Standard	6,050,165	609,070	3,500,000	202,709	20,825,566	51,077,902	....	1,202,469	572,154	2,287,946	....
Nationale	11,974,859	809,259	8,500,000	1,275,140	21,104,435	90,029,338	1,500,011	5,023	293,416	784,665	....
Imperial	9,705,780	2,383,691	....	1,807,943	32,469,300	67,888,473	....	1,455,583	321,847	243,577	....
Weyburn Security	501,255	87,703	....	20,207	2,161,350	2,812,677	....	....	....	21,464	....
Total	166,646,392	70,082,755	25,950,000	19,827,412	571,333,964	1,389,703 490	333,704,507	10,694,866	6,501,902	45,300,348	10,399,696

BANK	Letters to Credit	Other Liabilities	Dividends Declared & unpaid	Reserve Fund	Capital paid up	Total Liabilities	Capital authorized	% last dividend	Loans to Directors	Average gold and Coin Held	Average Dominion Notes held	Greatest amount notes in circ
	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	12,467,640	1,364,662	905,132	29,916,700	29,916,700	781,487,881	31,175,000	12	2,255,605	31,465,705	51,513,196	44,626,991
Nova Scotia	5,432,600	106,994	4,772	19,500,000	10,000,000	247,002,510	15,000,000	16	1,112,725	9,215,164	7,898,079	14,720,637
Toronto	1,988,823	104,892	151,736	7,000,000	5,000,000	118,662,220	10,000,000	12	2,715,282	428,950	5,074,435	8,093,785
Provinciale	15,900	31,123	96,484	1,500,000	4,000,000	50,261,888	5,000,000	9	....	183,279	604,180	4,186,628
Commerce	13,627,023	....	604,589	20,000,000	20,000,000	495,008,737	25,000,000	12	6,049,379	17,263,000	15,648,000	27,926,124
Royal	33,670,017	54,768	908,065	29,840,220	29,840,220	778,980,447	40,000,000	12	2,365,725	11,191,573	10,158,156	39,261,314
Dominion	3,085,047	666,521	2,923	7,000,000	6,000,000	129,060,255	10,000,000	12	853,132	2,137,000	3,996,000	8,024,487
Standard	476,192	43,557	5,924	2,900,000	4,823,400	94,577.060	5,000,000	12	182,040	467,576	2,405,298	6,260,170
Nationale	875,981	....	140,887	5,500,000	5,500,000	148,293,017	10,000,000	10	160,675	859,927	2,329,492	12,497,789
Imperial	902,469	....	7,809	7,500,000	7,000,000	131,686,477	10,000,000	12	74,900	954,085	4,620,974	10,328,526
Weyburn Security	....	....	512	225,000	524,560	6,354,730	1,000,000	7	122,801	23,877	40,942	653,395
Total	72,541,692	2,372,517	2,828,833	130 881,920	122,604,880	2,981,375,222	162,175000	......	15,892,264	74,190,136	104,288,752	176,579,846

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dom Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from banks in Canada	Due from banks elsewhere	Government securities	Canadian municipal British and foreign Securities	Railway and other bonds and stocks	Call loans in Canada
	$	$	$	$	$	$	$	$	$	$	$
Montreal*	30,983,798	52,445,403	3,737,290	1,133,887	24,588,384	93,941	13,565,321	90,908,695	32,202,756	4,450,794	24,044,433
Nova Scotia	9,280,233	7,993,734	1,024,526	2,004,585	8, 352,474	....	3,692,478	28,044,150	11,297,992	13,387,252	29,198,586
Toronto	456,805	5,711,610	482,300	150,407	5,495,447	....	3,075,100	14,502,467	2,721,469	4,298,046	10,935,403
Provinciale	192,910	367,935	677,080	123,634	2,096,051	2,740,069	311,742	6,389,455	2,189,655	4,689,396	8,292,470
Commerce	10,091,221	11,552,003	2,106,680	1,618,989	18,289,563	512	17,357,055	52,510,974	24,777,815	10,733,449	30,067,182
Royal°	11,477,984	18,157,019	3,433,096	16.553,305	26,414,162	5,859	25,523,954	77,345,849	30,946,221	18,714,296	39,008,049
Dominion	2,149,831	4,790,678	885,645	277,634	6,673,395	346	1,828,279	15,563,786	4,452,911	2,418,871	12,861,190
Standard	504,115	3,071,314	484,746	124,666	5,467,012	....	871,219	9,609,843	3,068,288	3,635,289	14,094,222
Nationale.†	946,030	2,651,248	1,520,645	405,266	4,269,685	343,143	1,440,453	23,663,078	17,202,843	1,276,401	9,208,340
Imperial	988,712	6,238,242	1,023,330	354,044	6,617,881	633,322	1,070,253	15,297,285	8,086,109	61,855	14,634,517
Weyburn Security	23,880	40,278	30,530	4,624	20,540	724,076	123,487	1,058,040	153,832	311,972	....
Total	67,095,519	113,019,464	15,405,868	22,751,041	108,284,594	4,541,068	68,859,341	334,893,622	137,099,921	63,977,621	192,344,392

NAME OF BANK	Call loans elsewhere	Other current loans in Canada	Other current loans elsewhere	Loans to Municipalities and to provinces	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank premises	Letters of Credit	Deposit for note circulation	In central gold reserves **	Shares of and loans to controlled companies	Other assets	Total Assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	144,104,970	237,992,389	50,809,607	23,331,757	2,066,413	739,150	1,192,535	11,800,000	12,467,640	1,463,197	18,000,000	2,856,605	473,610	785,452,587
Nova Scotia	13,883,375	76,946,396	19,521,973	4,958,574	328,830	23,168	125,627	7,038,620	5,432,600	485,178	6,000,000	....	161,292	249,176,653
Toronto	....	60,253,735	....	2,677,776	136,700	....	187,383	3,305,177	1,988,823	264,478	3,555,866	....	....	120,199,001
Provinciale	....	17,189,777	....	1,593,971	148,760	532,594	348,855	1,899,855	15,900	200,400	450,000	....	219,705	50,670,223
Commerce	29,076,753	194,292,357	26,136,114	24,813,652	2,618,292	2,292,916	1,071,031	11,800,527	13,627,023	1,000,000	11,500,000	1,752,409	372,689	499,459,046
Royal°	60,589,177	212,072,626	164,106,208	9,484,630	2,546,412	1,912,037	1,428,005	14,482,146	33,670,017	1,300,000	11,000,000	2,238,130	462,426	782,871,670
Dominion	2,175,718	61,841,108	1,950,484	790,617	218,974	42,509	36,587	5,722,453	3,085,047	310,000	2,400,000	....	316,669	130,792,741
Standard	....	43,975,792	....	2,698,697	450,713	327,165	241,058	3,880,270	476,192	250,000	2,000,000	....	104,720	95,335,328
Nationale.†	....	63,099,281	27,734	7,391,515	178,745	1,211,325	920,416	5,551,620	875,981	282,113	7,200,000	....	302,734	149,968,606
Imperial	3,500,000	55,044,738	....	8,401,593	256,557	582,737	678,324	5,177,528	902,469	340,146	3,764,466	....	348,130	134,002,249
Weyburn Security	....	2,897,320	....	92,768	40,034	170,482	161,931	259,782	....	28,358	200,000	....	74,964	6,416,906
Total	253,329,993	1,025,605,519	262,552,120	86,235,550	8,990,430	7,834,133	6,391,752	70,912,978	72,541,692	5,923,870	66,070,332	6,847,144	2,836,939	3,004,345,010

**Of this deposit, $20,670,333 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement. Footnote to Bank of Montreal return.

°The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris. As the entire capital stock of the Royal Bank of Canada (France) is owned by the Royal Bank of Canada, the assets and liabilities of the former are included in the above return.—Footnote to Royal Bank return.

†The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

Department of Finance, Ottawa, September 30, 1927.

Municipal Income Tax

Its Strengths and Weaknesses and Possible Substitutes

By JOSEPH E. HOWES,
Assistant Director, Citizens' Research Institute of Canada.

Some Chapters from The Financial Post Government and Municipal Survey shortly to be published.

ARTICLE ONE.

Methods and forms of taxation have ever been a subject of controversy and complaint, with the average taxpayer usually regarding all taxation as inevitable but nevertheless unwelcome. This is even more likely to be the attitude when the tax is direct and absolutely discernable by the taxpayer. The statesmen of the laissez faire era were believers in what has been termed "the cynical canon of taxation," viz.: "Get your tax where you can get it with as little fuss as possible," but in time of stress they found indirect taxation inadequate and resorted to other methods. Thus the income Tax was introduced in Great Britain as a war measure in 1789. The force of public opinion afterwards compelled its abandonment for a short period, but it was soon reapplied and has been in use continuously ever since, playing an increasingly important part in Great Britain's fiscal system.

Income Tax is Now Widely Used

At the present time it is employed in some form or another as a means of providing revenue by nearly all the civilized nations of the world. It is looked upon by experts as a tax which conforms very closely to the recognized canons of taxation enunciated by that great economist, Adam Smith in that

(a) It bears some proportion to the ability of the subject.

(b) The amount is certain.

(c) The time and manner of payment may be set to suit the convenience of the taxpayer.

(d) The cost of collection is not exorbitant.

In the light of this, it would seem that all taxes, the Income Tax should be the one most readily accepted by the taxpayers. Theory and practice, however, are sometimes at variance. Again, the income tax, as levied in Great Britain, United States, Australia and New Zealand and generally where in use, is applied to a large economic unit rather than to a local municipality. It is either levied and collected by the central government for national purposes, or by the states or provinces within the nation for state purposes.

Two Firms of Income Tax

In Australia and some of the states of the United States, there are the two forms of income tax—one for federal purposes and one for the state purposes. In some instances in the United States, while imposition and collection is under control of the state, the tax is divided among the municipalities within the state for municipal purposes. This also used to be done in some parts of Germany, but in more recent times the income tax has been used in that country almost exclusively for national purposes, although there is now a suggestion that the municipalities should share in the proceeds. In all the countries mentioned, however, the larger economic unit is the usual one chosen for the levying of the tax.

Canadian Income Taxes

In Canada the Dominion income tax is of comparatively recent origin. In the happy days before the war the Federal Government was able to derive sufficient revenue from indirect taxation to enable it to carry on its services. Income taxation, however, is not altogether new in Canada inasmuch as it has been levied in Ontario for over fifty years for municipal purposes.

This form of taxation has also been in use for some time in British Columbia for provincial purposes, and Manitoba a few years ago passed a Provincial Income Tax. The Province of Saskatchewan in its Cities Act and Towns Act provides for the taxation of income for municipal purposes to a limited extent. For instance, a person who is assessed on land and buildings and on salary or income pays income taxes only on the amount by which such assessment exceeds that on land and buildings. Nor does a person assessed on business have to pay on income from that business. It is, therefore, in the nature of a supplementary municipal assessment and in 1925 formed only 1.8 per cent. of the total assessed value of taxable properties in the cities of Saskatchewan.

Income Taxation in Other Districts

Under the Special Assessment Act of the City of St. John, N. B., on the other hand, the income tax is given a general application and the income taxable for municipal purposes in 1925 formed 29.2 per cent. of the total taxable values. Taxation of income is also practised in many other municipalities in New Brunswick and in Nova Scotia, while Prince Edward Island levies a Provincial Income Tax. In Ontario the Act calls for assessment of income in all the municipalities within the province and for this reason a close examination of the working of this Act should throw some light on whether or not it is a desirable source of municipal revenue.

Income Assessment in Ontario

The municipal income tax in Ontario apparently had its origin in the theory that all property benefited from municipal services and, therefore, should bear its fair share of municipal taxation. By the Act of 1819, applied throughout the Province of Upper Canada, the assessors were required to make an annual assessment so that every person would be assessed in just proportion to the list of his, her or their rateable property according to the rates specified.

This was in effect the general property tax which was, and to a great extent still is, the distinguishable tax, in the United States for local purposes. It calls for the assessment and taxation of all property, real and personal, tangible and intangible. Equitable assessment of such property might be feasible in a pastoral or preponderantly agricultural country where most personal property remains "visible," but with the growth and complexity of modern civilization intangible personal property such as stocks, bonds, etc., become more and more important and the inequitableness of the general property tax more apparent.

Dates Back For Many Years

As early as 1850 this factor was recognized in the Assessment Act of Ontario when personal property was defined to include only some of the more tangible and visible kinds of property and income exceeding fifty pounds was made assessable as the only personal property available in the case of certain persons. This limited taxation did not last long, however, and taxation of all kinds of wealth was called for by the Act of 1853. While no mention was made of the word "income" in the definition of personal property in the Consolidated Assessment Act of 1859, "income" was liable to assessment, and a separate column provided in the roll, although no definition of income was given.

Appoint Commission to Make Study

Under the Act of 1887 "income" was included in the definition of personal property, but rentals or other income derived from real estate except interest on mortgages was exempt. The impossibility of the equitable enforcement of personal property assessment no matter how attempted, however, caused greater and greater dissatisfaction and resentment and the provincial government in an attempt to find some more just method of providing revenue for municipal purposes appointed a commission in 1900 to study the subject and report the results.

The present Act conforms in general principles to the findings brought down by the commission. The principle of the taxation of all property for municipal purposes was still adhered to, but in an attempt to better apply this principle, property was divided into three main classes as follows:

(1) Real Property.
(2) Business.
(3) Income.

Tax All "Property" on Same Basis

That these are merely three divisions of "property" and intended to be taxed on the same basis is clearly set forth in the Act. Section 3 states in part, "All municipal, local or direct, taxes or rates shall when no other express provision is made be levied upon the whole of the assessment, for real property income or business according to the amounts assessed in respect thereof and not upon any one or more kinds of assessment or in different proportions" and Section 4 states that rates shall be calculated and levied upon the whole of the assessment for real property, business and income, etc. In other words, all property is liable on the same basis for municipal taxation but division of the property as above has been made for practical purposes.

Trying to Find Workable Tax

It is important to understand clearly the supplementary nature of income taxation the Ontario Act and the close relation of the combination of business assessment and income assessment as now made to the personal property assessment previously in vogue. Without entering upon a discussion of the merits of the present business assessment in Ontario, it can, I think, be admitted that it is merely an attempt to apply in a practical way a tax upon "tangible" personal property without some of the attendant glaring inequalities which were present when such property was taxed directly. In the same way I believe it can be stated that the assessment of income under the Ontario Act is an attempt to reach "intangible" personal property, the assessment of which was the despair of administrators of the old general property tax. A short examination of the present Act will, I think, bear this out. For instance, the Ontario Act does not provide for the assessment of all income from whatever source derived. It is particular to make certain distinctions, the more important of which are as follows:

The following income is exempt from taxation:

(a) Rent or other income derived from real estate in Ontario, except interest on mortgages.

(b) The income of a farmer derived from his farm.

(c) The dividends or income from stock held by any person in any incorporated company, the income of which is liable to assessment in Ontario.

The Act also states in effect that:

(a) Every person not liable to business assessment shall be assessed in respect of income.

(b) Every person although liable to business assessment shall be assessed in respect of any income not derived from the business.

(c) Every person liable to business assessment shall be assessed in respect of income derived by him from his business, profession or calling to the extent to which such income exceeds such business assessment, except incorporated companies, trustees, etc., but the income of a partnership shall not be again assessed when the same has been distributed and received by the individual partner.

Not Intended to Reach All

The income assessment in Ontario, therefore, is not intended to reach all income but only such income (intangible property) as shall have escaped taxation under other clauses of the act. It recognizes that real property pays taxation and that income therefrom in the shape of rents or farmers' returns from land should be exempt. It recognizes that "Business" is taxed and that income from the business should not be taxed unless it exceeds business assessment. It, therefore, applies mainly to income in the form of salaries, wages, dividends from stocks, bonds, etc., interest on mortgages or other forms of income which used to be included under intangible personal property.

The criticisms of the practical application of the act will be considered in the next article.

B.C. Electric Awards Bridge River Contract

Scheme Will Cost Thirteen Million Dollars Before Completed

From Our Own Correspondent.

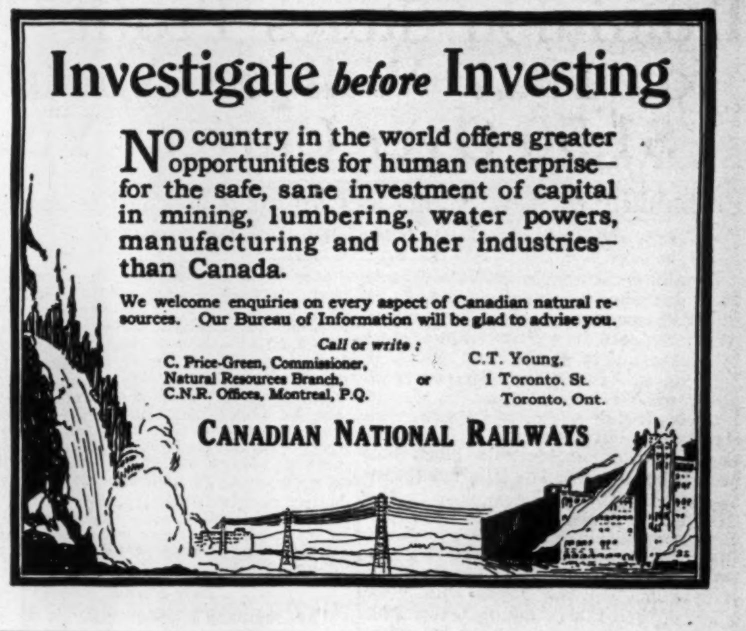
VANCOUVER, B.C.—B.C. Electric Railway Co., Ltd., has awarded the contract for boring the Bridge River power tunnel to Pacific Engineers, Ltd., of Vancouver, for $1,249,530.

According to an estimate made by President George Kidd of the B.C. Electric, the job will cost about $2,000,000 when details, not included in the contract, are considered.

Work on the two and a half mile bore will start immediately from the Seton Lake end and on May 15, 1928, from the Bridge River end. The contract calls for completion within 1,000 days, which period will elapse in August, 1930.

About two-thirds of the tunnel will be timbered and lined with concrete, according to E. E. Carpenter, construction engineer for the B.C. Electric. About 400 to 500 men will be employed by the contractors at peak of construction.

A flat bore of 1,000 feet was made by the B.C. Electric in order to provide contractors with as complete data as possible.



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Amongst the works already constructed or being constructed by the Company and its associates in this Province are the following

Two-hundred-and-fifty-room addition to the Chateau Laurier Hotel in Ottawa.

Factory of the Canadian Goodrich Rubber Company at Kitchener, Ont.

Viscose plant for Courtaulds, Limited, at Cornwall, Ont.

Humber Bay transmission line tower foundations for the Hydro-Electric Power Commission.

Concrete oil tanks for the Imperial Oil Company.

Port Colborne plant of the International Nickel Company of Canada, Limited.

Docks and terminals for the Algoma Eastern Railway.

Open Hearth plant for the Algoma Steel Corporation.

Bloor Street Subway, Toronto.

THE FOUNDATION & CONSTRUCTION COMPANY
OF ONTARIO
LIMITED
Temple Building - Toronto
ASSOCIATED WITH THE FOUNDATION COMPANY OF CANADA, LIMITED

Dominion Stores Profit for 1927 Will be About $1.50 Over Current Year

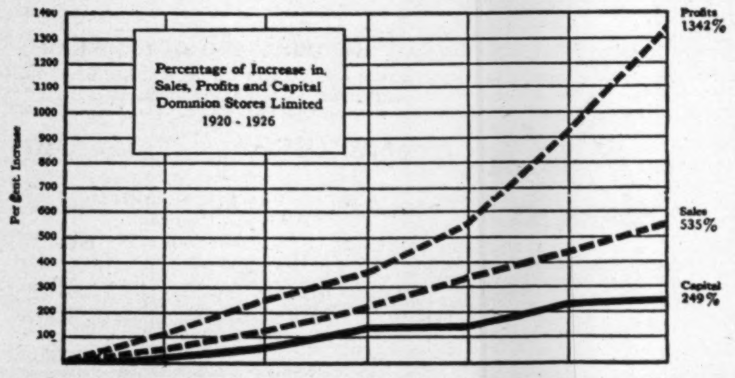
Probability of New Rights as Capital is Needed is Added Attraction for Investors in Chain Store

Dominion Stores in 1927 will earn $6.45 per share, compared with $4.99 in 1926, according to an estimate which appears in a circular published by Greenshields & Co., and which is believed to have been prepared from quasi-official information.

Greenshields & Co. is offering the stock as an investment. It is understood that a considerable block has been bought privately. It is not treasury stock. The public is still in the dark as to whether or not the company soon again will offer additional shares to holders at prices under the market. A total of 7,500 shares were offered at $40 the share this year when the stock was selling below $80. It recently has moved above 95. This has been the result of rumors concerning the company.

Denials Are Complete

The Financial Post a week ago on official authority stated that neither sale, absorption or merger would take place. The president of the Great Atlantic & Pacific Tea Co. later announced that his company was not selling its 40 Montreal stores to Dominion Stores.



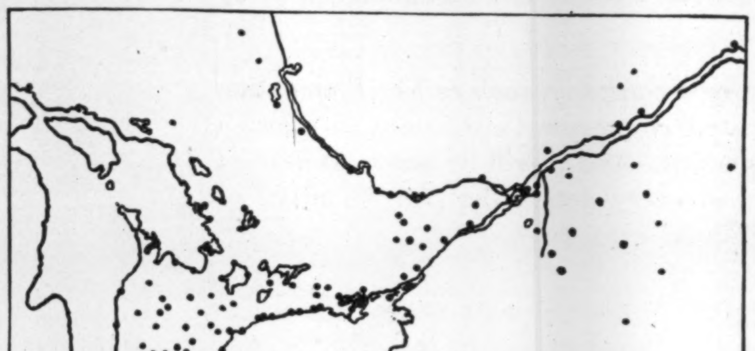
	1920	1921	1922	1923	1924	1925	1926
Sales	2.401.662	3.461.153	5.059.509	7.663.653	10.348.233	12.616.588	15.256.877
Profits	28.584	58.245	100.092	131.206	187.399	291.849	412.345
Capital	454.335	526.435	730.360	1 054.035	1.054.035	1.431.287	1.582.387

Dominion Stores is expanding rather rapidly and it is not improbable that additional capital will be sought shortly. New stores are being opened as rapidly as organization facilities permit and it is said that this is resulting in a strain on the central warehouses in Toronto and Montreal. Since the first of the year a Montreal bakery has been built and a London, Ont., bakery will be completed soon.

Profit Rises With Volume

The profits for the next four years as estimated in the Greenshields circular are based on an average profit of 2.8 cents per dollar of sales, with sales increasing from year to year in the same ratio as in the past. It may be pointed out that the volume of sales may increase more rapidly than the estimate on this basis, for the reason that prosperity of the country may be greater. Moreover, the history of successful chain stores, including Dominion Stores, has been that the profit per dollar of sales increases with the volume. Of course, there comes a point where volume does not make for greater profit per dollar of sales, but it may be asked if that point will be reached this year, as this estimate would indicate. In other words, will the profit line in one of the accompanying charts become horizontal?

Common stocks of successful chain stores sell at the high of about twenty times their earning power. Thus, Woolworth's in the United States, with profit of $11 sold at a high of $22 in 1926. The A. & P. organization is closely held, so that the occasional trade on the Boston stock exchange is not a criterion. The most recent quotation was $165, it is said, compared to profits of about $20.


MAP showing distribution of DOMINION STORES in Ontario and Quebec

As to Stock Price

A price of twenty times the earning power would be close to $100 on the 1926 report, or about $30 higher per share based on the estimate of earnings for 1927.

Greenshields & Co.'s comments on this stock follow, in part:

Dominion Stores, Limited, have been in the chain grocery business in Canada for eight years. The seventeen stores in Toronto which were taken over at the time of incorporation have expanded to 495 at the present time. Operations, so far, have been confined to Ontario and Quebec. In addition to these stores the company operates bakeries in Toronto and Montreal, with a capacity each of 150,000 loaves a week, and a third is now being completed in London, which will have a weekly capacity of 75,000 loaves. Goods are distributed from warehouses in Montreal and Toronto.

The business is conducted on a cash and carry basis. Prices are low and only staple lines are carried, no effort being made to push brands of the company's own manufacture. Turnover is rapid—between eight to ten times a year. From this kind of business there are no credit losses and losses on inventory are reduced to a minimum.

Management is in the hands of men who have had wide experience in chain store operations. They are familiar with every characteristic of modern retailing methods. Managers of stores are trained in the company's own schools and share in the profits of their store. Thus the company combines two powerful factors in its success, a great volume of public goodwill and a high standard of "esprit de corps" among its staff.

New Stores

The company's programme is to add from 50 to 70 stores a year to its chain. The buying and distributing departments of the business will keep step. Store premises are rented, not purchased, and thus no large part of the company's assets is tied up in real estate.

The choice of store locations supplies a test on which the success of chain store management may be judged, and it is probably fair to attribute a good part of the success of Dominion Stores to the wisdom of the management in that direction. Localities for which new stores are projected are brought under the closest scrutiny by men who are experts in judging the factors of retail demand.

It is found that one store helps another and that volume of sales per store increases in localities where more than one branch is opened. Several of the company's oldest stores are still marking up records of increased sales.

Capitalization and Dividends

The company was incorporated under Federal Charter in 1919 with a capital of $250,000 of 7% Preferred stock and 25,000 shares of no par value common stock. Subsequently $1,000,000 of Class "A" 8% Preferred and a total of 150,000 shares of Common was authorized. During the first four years $593,000 of 8% and $250,000 of 7% Preferred was issued along with 25,000 shares of Common.

Shareholders were given the right to take up 12,500 shares at $20 in May, 1925. At the same time, 12,500 shares of common stock were issued under an offer of exchange to holders of the 7% Preferred. This offer retired all but $15,000 of that issue; the common stock not taken up was sold. Another 10,000 shares were allotted to shareholders at $10 in October. In 1926, the balance of the 7% and the entire issue of the 8% Preferred were retired. For this purpose, and to provide further funds for expansion, 15,000 shares of common stock were sold to the public. This was followed again in June, 1927, by the allotment of 7,500 shares to stockholders at $40 a share. This brings the total outstanding stock to 82,500 shares. There are no bonds and no bank loans; the only debt, other than purely trade bills, being unmatured mortgages on property acquired of $82,000.

One benefit which may be expected from Dominion Stores as an investment is the issue of rights from time to time to subscribe to new stock at attractive prices. The company is now one of the most conservatively financed of any of the chain store systems on this continent, and one of the very few which can show a capital made up entirely of common stock.

While expansion will continue to be made largely out of earnings, shareholders will no doubt be given the opportunity of contributing on a profitable basis. From such opportunities of increasing their holdings at low prices, shareholders will realize upon the equity built up out of earnings.

The first cash dividend of 50 cents on the common stock was paid in April, 1923. Another 50 cents was paid in October and in April and October of 1924 and 1925. Beginning with April, 1926, the present quarterly rate of 60 cents a share, $2.40 a year, was established.

In view of earnings, this dividend policy has been conservative, and the company will probably continue to follow that course. It is our belief, however, that an increase over the present rate may be anticipated.

Earnings and Sales

To one not familiar with chain store operations, it will come as a rather astounding fact that the average margin of profit on sales by chain store groceries is less than 3%. Dominion Stores ratios of profits to sales have shown a steady increase. In the last four years the percentages have been: in 1923, 1.7%; 1924, 1.8%; 1925, 2.3%, and in 1926, 2.7%. It is expected that 1927 results will show a continued betterment as a logical result of further expansion and increased sales. Sales and profits since 1920, and earnings per share based on the present outstanding 82,500 shares of common stock, are given in the following table together with a projection of estimated earnings and profits for four more years to 1930.

The sales and earnings results of Dominion Stores compare closely to the standard established for the industry by the results of the Great Atlantic and Pacifiic Tea Company, the largest and most successful chain store groceries in the United States.

Year ending Dec. 31	Gross Sales	Profit before Taxes	*Earnings on 82,500 shares
1920	$ 2,401,662	$ 28,584	$ 0.35
1921	3,461,153	58,245	0.71
1922	5,059,509	100,092	1.21
1923	7,663,653	131,206	1.59
1924	10,348,233	187,399	2.27
1925	12,616,588	291,849	3.54
1926	15,256,877	412,245	4.99
	Estimated	Estimated at 2.8% of Sales	Estimated
1927	$19,000,000	$532,000	$ 6.45
1928	23,000,000	644,000	7.80
1929	27,500,000	770,000	9.33
1930	32,000,000	896,000	10.86

*Present capital.

As shown in the chart, the increase of 1926 sales over 1920 sales was 535% and the increases of profits 1340%. This was accompanied by an increase in capital of only 250%. There were at the end of last year 360 more stores than at the end of 1920, a total of 423. By April of this year there were 462 stores; on July 1st, 476—within another week 483 stores. At the present they are in excess of 495. An illustration of how this chain has been linked through Ontario and Quebec is given in the accompanying map, which, at the same time, clearly indicates the possibilities of expansion. It is estimated that in the United States there are 46,000 units of chain stores controlled by 35 companies. The most successful United States company in the grocery field operates over 15,000 stores. By these comparisons Canada is still in many respects a virgin field. The possibilities should be brilliant for a company as successfully founded as Dominion Stores.

Dominion Combing Co. Shareholders to Meet

Shareholders of Dominion Combing Mills, Ltd., have been notified of a general meeting at Trenton, the head office of the company, on Saturday, October 15th. The purpose of the meeting, as stated in the notification signed by A. E. E. D. Brown, for the shareholders, is to consider the Clarkson report on the affairs of the company and to consider the relations of Dominion Combing Mills with A. E. Rea, president, with Dominion Combing Mills, also headed by Mr. Rea, with Ideal Fashions, Ltd., with T. D. Currie, and with A. O. Worsted.

Dominion Combing Mills was organized a number of years ago by A. E. Rea. The shareholders were vouchsafed little information concerning the company, and no annual meeting has been called recently. Earlier this year, G. T. Clarkson, of the firm of E. R. C. Clarkson & Sons, was appointed manager of the property as a result of an agreement between the former management and certain creditors of the company. As a result of this move on the part of the creditors, the shareholders formed a committee which has called the meeting now to be held.

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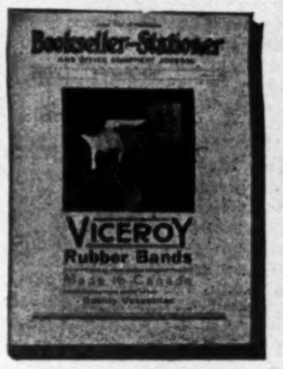

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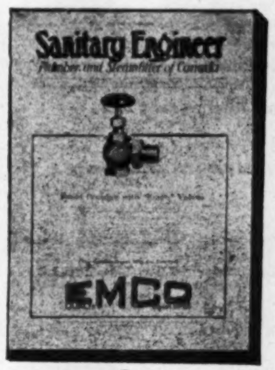

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Coverdale's Life Story Outromances Any Fiction Yarn

Head of Canada Steamships Came Up Through Every Kind of Adversity to Find Great Success in Engineering Field — His Job is to Rescue Sick Companies

By CHARLES VINING,
In MacLean's Magazine.

1907
W. H. Coverdale dines on peanuts and an apple.

1909
He earns $100,000 a year as an engineer.

1927
He is one of the highest paid executives in Canada.

ONE day in New York, not many years ago, a man stopped in front of a peanut vendor's wagon on a side street off Broadway. He bought a five cent bag of peanuts and then his eye fell on some nice fresh looking apples.

"How much are they?" he asked the Italian.

"Two apples for a nickel. Good apples."

The man fished three cents out of his pocket.

"Give me one," he said.

The man's name was Coverdale. The peanuts and the apple were his dinner. The three cent apple was an extravagance, for he was broke.

A few months later this W. H. Coverdale was earning $100,000 a year and he has never since earned less. To-day he is back home in Canada, president of the Canada Steamship Lines, head of a big financial house, and directing force of more enterprises than he can remember.

Runs Company From Farm

He is full of surprises. He became one of the foremost engineers on the continent, but he had no engineering training at school. And now, managing a multitude of affairs, he does it all for five months of the year from a farm on the banks of the St. Lawrence near Kingston, Ontario—along the road past the little house where he was born.

Here is a Canadian who, on the death of his father, was forced to emigrate to the United States, fought hard battles there, carved success out of failure, and now has come home to turn another failure into a great instrument of Canadian prosperity. What he has done is remarkable but his real story is how he has done it. In that is a tonic for every Canadian, a romance of relentless hard work and courageous independence and a demonstration that success is built not on circumstances but on inward qualities.

It was on the farm near Kingston that I found him. We walked on the terrace, unpretentious stone house behind, blue waters of the St. Lawrence in front whipped by a stiff evening breeze. It was a good setting for him, for he is a man, this Mr. Coverdale, a man's man.

He Works Every Day

Stocky and sturdy in body, with fresh hard cheeks tanned by sun and wind, he shows the benefits of engineering years outdoors. He looks as though he plays golf every day, but, emphatically he does not. He works. He is fifty-six and he might pass for forty.

The face belongs to a man of action, too. It is strong; dominating sweep of nose from cold gray eyes to long stubborn upper lip, wide determined mouth and jut of jaw from powerful neck. Not many lines in that face except at the corners of the eyes. There is too much self-reliance and discipline in it to leave room for expression of emotion. I don't know whether Mr. Coverdale plays poker or not. But if he does he should play it well.

Young William Hugh was born near this farm on the St. Lawrence, but when he was a lad of fourteen, going to school in Kingston, his father died and the widowed mother was obliged to take her son to live with relatives at Madison, Ohio. His mother's relatives were of the Covenanter breed and they selected a training for him to fit their strict traditions. When he was sixteen they packed him off to college at Geneva, Ohio, a place of puritanic discipline.

Uncle Wanted to Know

Four years later, he came back to Madison with a degree in arts and the idea of taking a good holiday, but he found a stern old uncle there who would not tolerate idleness even as a graduation reward, and he so informed his nephew without delay.

"He wanted to know," said Coverdale, "just what I was going to work at. I didn't know, but I said engineering. He took me at my word and wrote to a friend of his in the Pennsylvania railroad. A stiff reply came back and I thought we'd hear no more about it. I got a great jolt a while later when instructions suddenly arrived for me to report at the office of the Pennsylvania's chief engineer in Pittsburgh. That was in 1892 and I stayed there until 1901."

A remarkable nine years they were. This young man—he was not yet twenty-one—had had no training in engineering. He knew nothing about stresses and life of materials and all the highly theoretical part of construction. Yet:

"In 1893," he remarked calmly, "the railway had a great deal of construction in connection with the world's fair at Chicago and I was sent to look after most of it."

Natural Inclination for Engineering

"Hold on," I objected, "here you were, twenty-three years old and fresh from a course in arts. How could you learn enough in two years to undertake big construction?"

"I don't know," replied Mr. Coverdale; "perhaps I had a natural inclination for it. Then there was a fine old Swede in the engineer's office, a wonderful draftsman, who took hold of me and taught me what I needed most."

"You must have worked," I suggested, and came upon the chief ingredient in the Coverdale recipe.

"Work," he repeated, "yes, I worked. I made up my mind the first day that I must work if I was to succeed and I started right in to learn the use of all the instruments. Then I went at lettering, because good lettering is a prime essential for an engineer. I can remember going home to my little back room, having a measly supper and sitting down with a bottle of India ink and some tracing cloth to make letters all night. I'd have a bath and breakfast and go back to work."

"No sleep?"

"No," as though it didn't matter, "I did without sleep many nights at that time, and I've done the same thing many times since."

"Is that your recipe for life?"

"For the man who has decided he must go ahead," replied Mr. Coverdale, "the main thing is hard work. Ability and other assets are of little value without a willingness to work hard."

Came up Through Mud

It was a recipe which began to produce results at once. When the Chicago world fair started there were seventy-nine men in the chief engineer's office. When the flurry was over, only four were kept: the chief, the assistant engineer, the old Swedish draftsman and—this young Canadian.

"I'd come up through the mud," commented Mr. Coverdale, casually. "I was getting forty-seven dollars a month."

Then came several years of practical railway construction. "I scoured Ohio from Lake Erie down, for low grades and cheap haulage," he said. "I worked like a dog, day and night. They were not very encouraging years but I knew afterwards they were valuable to me. Every man must go through preparatory stages like that if he is going to be equipped to go far. When 1898 came along I found myself assistant engineer of the Pennsylvania. I was twenty-six then."

"And six years out of a course in arts?"

"Yes," he admitted.

Putting Tracks in Air

At this point the Chicago track elevation project began, an undertaking of extreme difficulty which victims of the old Toronto Union Station can well appreciate. And here occurred a thing that seems almost unbelievable. It was young Mr. Coverdale who was given the job to do for the Pennsylvania, on six years' work and his nerve.

"I went at it," he said. "We had to lift four main tracks up twenty feet in the air, adjust yards, switches, terminals, round houses, the whole system, to the new elevation. We had to put in bridges, subways, new streets, pavements, sewers, wires, pretty well tear the city apart. We did it," he added gently, "without stopping a train."

Truly, this young man had "come up through the mud," and Chicago recognized it. A Chicago newspaper reporter who was sent to hear the eminent engineers of the various railways describe the progress of the track elevation in which they were engaged came back to his office and wrote something like this:

"When your representative entered the hall he saw a tall, thin-faced young man whom he took to be the elevator boy. He turned out to be the speaker of the evening and not since William Jennings Bryan has there been such a display of eloquent discourse."

Test of Character

The thin-faced young man, of course, was young Coverdale from Canada telling Chicago how the thing had to be done. And what do you suppose his salary was for the Chicago track elevation feat? It was one hundred and twenty-five dollars a month.

Then came a break and with it a test of character and judgment. There was difficulty with the Pennsylvania's chief engineer and young Coverdale decided to leave the railway and join a rather uncertain firm of contractors in New York.

"It looked like a foolish move," he said, "but it really came down to the fact that I knew what I wanted. Later I had proof that I was right in being bold enough to leave the railway but the year and a half which immediately followed was pretty bad and nearly shook my confidence. The New York firm had impractical features which made me very unhappy and I decided to leave them, too. I made up my mind to stick to my judgment of things. So I quit and went to Europe and—"

"But where did you get the money to go to Europe?"

"Well, I didn't have much, but I wanted to get the taste of that New York thing out of my mouth and I thought it was a good time to see something of the world. I was free as the air."

W. H. COVERDALE,
President of the Canada Steamship Lines, Ltd., engineer extraordinary, whose life story out-romances any fiction ever written.

"You weren't yet married?"

"No. I didn't marry till I was about forty."

"Do you recommend that?"

"For my program it would have been a great handicap to be married. But I would not want to venture that as general advice. I only know that it would have been impossible to do many of the things I did, if I had married early."

Young Coverdale went to Europe, but not in the way most of us think about it.

"I went very humbly and cheaply," he said, "and I really saw things. I covered all Europe, tramping most of it on foot because I couldn't afford anything else, and I observed things. I stayed five months and landed back in New York at the end of September, 1903, with an English sovereign and a few Italian lira jingling in my pocket. That was all the money I had in the world, but I'd an idea in my head.

"I had decided that I must start at once to work for myself. It was the one good thing my experience with that New York firm taught me. I saw the money they were making, although they knew much less than I did. So I decided to come out at once as a consulting engineer. I had no money but the day I got back to New York I wrote to three people who had known my work on the Pennsylvania and told them my plan. I needed five thousand dollars to start. Three days later I had the five thousand."

With this sum Coverdale proceeded to carry out his resolve and here is the dividing point in his story. He rented a small office and hired a stenographer.

"It looked pretty black," he remembers. "My rent was $1,500 a year and other costs were in proportion. I knew nobody in New York, the North Pacific slump was on, and I had no resources except the $5,000 debt. I came down to the office for nine days before anything happened. The stenographer and I sat there. Then suddenly one afternoon the telephone rang. It sounded like a fire alarm in that office.

Who Tipped the President?

"It was the president of a big railway and he asked me to act as one of a consulting board of three on a million dollar construction job. I've never discovered who mentioned my name to him, though I've made repeated enquiries.

"That gave me a start. The other two engineers and I went out for several days on a special train. It looked like a prolonged and elaborate job. We came back to New York and had a talk up in the hotel bedroom, for all one afternoon. I listened, and at last I plucked up nerve to say that if they would let me write the report I would have it ready next afternoon. They thought I was crazy, but I persuaded them to let me try. I went back to my office, worked all night, and next afternoon submitted the report. It was all right, too. Not a word had to be changed and the railway people were so pleased that several jobs followed.

"I got $1,500 for that first job and I was walking on air. Things seemed to be breaking fine for me. During the next few years, from 1903 to 1907, my income climbed up to $5,000 a year, to $10,000, to $13,000, to $17,000. Success seemed assured. In fact, it had arrived.

But I had the toughest time of all ahead of me. It was the test of poverty and failure on the heels of success and it taught me my real lesson. It taught me for one thing, the great wisdom of saving money and the simple virtue of hanging on when trouble comes.

"It was the great and disastrous slump of 1907. It lasted till 1909, and few survived. Those who did manage to come through found golden opportunities at the other end and I was one of them. I had saved all my money and now it saved me. There was no business for the next two years. Nothing. But I decided to stick it out or starve. I nearly did starve. Keeping my office open ate up all my savings and I went broke at last."

This was the period of peanuts and an apple for dinner.

"I had no money left," said Mr. Coverdale, "but I had to keep up appearances or I knew I'd be down and out for good. I was staying at the Engineers' Club and I didn't dare let the men there know how desperate I was. That was why I had to get my dinners from peanut waggons as I've told you. Then came the turn in the tide, and I was right there waiting for it.

Examined Algoma Steel

"The turn came suddenly one day when I was invited by Algoma Steel to come up to Sault Ste. Marie and investigate their affairs. Somebody had given them my name. I came back from there with a cheque for $5,500 as my fee. I remember it well. It was a big yellow cheque. I sat down that day at a drafting table because an ordinary desk wasn't large enough and spread out all my bills. I wrote out over five thousand dollars worth of cheques for everything I owed, drew the two hundred dollars that were left and put them in my pocket. I was clear with the world again and there was a job waiting for me in Duluth. I took the train to Duluth that night.

"The two hundred dollars were all I had to show for years of hard work and good jobs, but from that day to this it has been different. I've never had an idle day since. From that day my professional income alone has never been less than $100,000 a year and it has been as high as $350,000 a year."

From being a consulting engineer Mr. Coverdale gradually became a financier. For example:

Recipe For Making "Big Money"

"The first real big money I ever made," he explained, to illustrate the transition process, "was in Gulf States Steel, of Alabama. It was in bad shape and I was consulted. I wrote the report and believed there were possibilities in the company but nobody else would have anything to do with it. So I backed my judgment by investing in it myself and became, in fact, its largest shareholder. I bought it at one, two and five dollars a share and I've seen it at $182 a share since then. We've become investors in a lot of companies in the same way and control a good many of them. I can't remember all."

It was this quality of judgment and decision that brought Mr. Coverdale back home to Canada and the Canada Steamship Lines, which was teetering on disaster when the war closed. Mr. Coverdale was asked to examine its affairs in 1921 and later was invited to become its president.

"They'd made money during the war and squandered it," said Mr. Coverdale, "and they'd gone into ocean trade where they didn't belong. There was a $7,000,000 floating debt and the banks wouldn't look at them."

Scrapped Ocean Boats

"What did you do?"

"We analyzed it and found a profit in fresh water navigation and a loss in ocean trade. So we scrapped or sold all the ocean part, took our loss of six million or so and got the thing healthy again. We're all right now. In 1925 we had a chance to buy up two fleets. Twelve million dollars. All the banks were ready to help . . . Five years ago they wouldn't even look at us."

"Will you please explain how you look after Canada Steamships and a few other million dollar jobs from this farm?"

"About twenty telephone calls a day from Montreal and about twenty from New York," he answered, "and telegrams and letters. I know here every day how much cash there is in every company in which I am interested. My family want me to quit it all."

"Do you want to?"

"I should I guess. But," with a grim little smile, "it's hard to get away when there are things to be done."

Tabloid Picture of C.S.L. Head

WILLIAM HUGH COVERDALE, B.A., D.Sc., LL.D.—Coverdale & Colpitts, consulting engineers, reorganization and management of railroad and industrial companies, examinations and reports on properties and projects, 66 Broadway, New York, N.Y. President, Canada Steamship Lines, Limited; Century Coal Company; Midland Shipbuilding Company; Davie Shipbuilding & Repairing Company; Chairman, Board of Directors of Pierce Petroleum Corporation; Vice-President and Director of Consolidation Coal Products Company; Director, Bank of America; Bankameric Corporation; Granby Consolidated Mining, Smelting & Power Company, Limited; Director and consulting engineer, Gulf States Steel Company; Chicago & Eastern Illinois Railway Company; Gulf, Mobile & Northern Railroad; Jackson & Eastern Railway Company; Birmingham & Northwestern Railway, and Meridian & Memphis Railway Company; Receiver, Connecticut Brass & Manufacturing Corporation.

Born—Kingston, Ont., Canada, January 27, 1871, son of William Miles and Fannie (O'Neill) Coverdale.

Educated—Collegiate Institute, Kingston; Geneva College, Beaver Falls, Pa., (B.A., 1891; D.Sc., 1914); (LL.D., Queen's University, 1922).

Member—American Society of Civil Engineers; Member, American Institute of Consulting Engineers.

Married—Harriet E. Hinchliff, of Rockford, Illinois, daughter of William E. Hinchliff, June 30, 1911; has two sons and two daughters.

Clubs—Metropolitan; Engineers'; Recess and Canadian (all of New York); Mount Royal; St. James; Forest and Stream and Beaconsfield (of Montreal); Kingston Yacht and Cataraqui Golf and Country Club (of Kingston).

Recreations—Farming, fishing. Mr. Coverdale owns Le Moines Point Farm, consisting of 425 acres of land, situated seven miles west of Kingston, Ont., and fronting for three miles on Lake Ontario.

Residences—Le Moines Point Farm, Collins Bay, Lake Ontario, Province of Ontario, Canada; and 328 West 83rd Street, New York City, N.Y.

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New Company for Overseas Trade in Canadian Newsprint

From Our Own Correspondent.

MONTREAL.—The Canadian Newsprint Company has recently formed a subsidiary to be known as Canadian Overseas Limited, which will take care of shipments of newsprint to countries other than the United States. At the present time shipments are being made to Australia, the Argentine, New Zealand and Great Britain.

While the great bulk of Canadian newsprint exports, some 90 per cent., is forwarded to the United States, the overseas shipments are steadily increasing and a rapid expansion in this field is looked forward to over a term of years.

Arthur Harold Dawe, former secretary of the Canadian Pulp and Paper Association, will direct the affairs of Canadian Overseas Limited.

AUSTRALIAN TRADE TREATY NOT LIKELY TO STAY IN FORCE

Australia Dissatisfied as Action in Auto Duties Showed

From Our Own Correspondent

OTTAWA.—The days of the Australian Trade Treaty are numbered. Trade relationships between Australia and Canada seem to have reached a state of deadlock. Australia buys from Canada three times as much as she sells, and failing some adjustment of this adverse balance, Australian statesmen in the persons of Premier Bruce and Mr. Pratten, the minister of customs, have informed Ottawa unofficially, that no good purpose can be served by the continuation of the treaty.

This is the mental complex of the Australian Government, which is behind the change in the Australian tariff on assembled and unassembled motor chassis, which went into effect September 29, and under which a very considerable Canadian export trade is badly injured if not entirely destroyed.

Treaty Has Aided Canada

It will be recalled that the treaty, which became operative, October 1, 1925, gave Canada concessions on newsprint, motor cars, lumber and fish. Australia received preferences on raisins, currants, meat and butter. From the Canadian viewpoint, the treaty has been extremely valuable. There has been a rapid increase in exports. However, Australia has been unable to make headway in the Canadian market. For this, the Canadian Government is partly held responsible. When the terms of the treaty were made known, there were elaborate preparations in Australia to take advantage of it. Among other schemes, there was organized a butter export pool—known as the Paterson pool. This scheme is designed to increase exports by raising the price of butter in Australia. One third of the butter produced in Australia is exported. Under the Paterson system all the butter manufacturers agreed to pay into a common fund, 2 cents for every pound of butter produced. In this way there was created a large enough fund to pay a bounty of six cents per pound on every pound of butter exported. The Paterson scheme was endorsed by the Australian butter makers and went into effect January 1, 1926, three months after the proclamation of the treaty. Immediately the Canadian Government applied the anti-dumping duty on imports of Australian butter. This special duty was more than sufficient to offset the advantages conferred upon Australian exporters by the 6 cent bonus.

Called Action Unfriendly

The Australian Government took the action of the Canadian Government as distinctly unfriendly, and Mr. Pratten, on a recent tour of Canada, declared that he considered it a breach of the treaty. The Canadian Government has declined hitherto to withdraw the duty, and there seems little likelihood of a change in this attitude. The anti-dumping duty decreased imports of Australian butter from 2,400,000 lbs. to 801,000 lbs. per annum.

It is the general opinion in Ottawa that the increase in motor duties is by way of retaliation for the anti-dumping duty on butter. But whatever motive prompted the amendment, it is clear that there will be a sharp decline in the exports of automobiles to Australia, and, further, that one of the chief advantages gained by Canada in the Australian treaty will be lost. In the fiscal year ended March 31, 1925. the year preceding the proclamation of the treaty, Canada exported automobiles to Australia to the value of $4,641,881. In the two succeeding years exports were: 1926, $5,349,040; 1927, $5,826,814. The gain in trade was more than 25 per cent. How much of this is represented by automobile chassis is uncertain. The trade statistics of both countries fail to itemize chassis. However, the whole automobile trade will suffer by the change in tariff so that it makes little difference.

The official notification received by the trade and commerce department states that on September 29, the Australian intermediate and general tariff rates on unassembled chassis were increased 5 per cent., and on assembled chassis, 7 per cent. Under the treaty, Canada receives the intermediate tariff on automobiles.

Duties Now Are Higher

Before the Australian treaty went into effect, the Australian tariff on chassis was:

	British Preference	Intermediate	General
Unassembled	5%	7½%	10%
Assembled...	7½%	10%	12½%

The spread was only 2½ per cent. between all three schedules. However, in September 1925, just before the treaty came into operation, the duties were changed to give to Canada a greater advantage over the United States.

The duties as amended were:

	British Preference	Intermediate	General
Unassembled .	Free	7½%	12½%
Assembled ..	5%	12½%	17½%

In aiding Canada, the new tariff also aided Great Britain. It was under this tariff that exports to Australia increased so rapidly between 1925 and 1927. Now, however, there has been a very important change in the schedules. This change, which became effective Sept. 29, leaves the duties as follows:

	British Preference	Intermediate	General
Unassembled .	Free	12½%	17½%
Assembled ..	5%	20%	25%

Great Britain Has Advantage

The preference to Great Britain is increased very materially while Canada's advantage over the United States remains unchanged.

There are just three countries which export automobiles to Australia. They are: the United States, Great Britain and Canada. The Australian trade statistics for the year ended July 1926, show that United States shipped £7,555,717, Great Britain, £3,196,290, and Canada £1,008,176. The statistics show that Great Britain is a real competitor in the Australian market, and with the increased advantage should reduce the exports of Canada and the United States.

The Australian treaty has been of real value to Canada. Since its proclamation, there has been a remarkable growth in trade between the two countries, with the balance strongly in Canada's favor. This trade, in the fiscal year 1925, totalled $14,669,799. In 1926, it grew to $18,453,800, and in 1927, to $25,262,078. In these years, Canada has sold Australia three times as much as she has bought.

Announces Rights

A. W. McLIMONT,
President of Winnipeg Electric Company and Manitoba Power Company, who last week announced attractive stock subscription rights for shareholders of these companies.

EXPECT MONTREAL POWER TO ACQUIRE WESTMOUNT HYDRO

See Early Truce in Battle Between Two Systems

From Our Own Correspondent

MONTREAL.—The Island of Montreal on which is situated the City of Westmount, has been the scene of bloody conflict and war from time immemorial. Battles were fought there between Indian tribes before the coming of the white man. With the coming of the early French settlers the battle continued between the French and the Indians. Then came the wars between the French and the British, and these were followed by further wars between the British and their newly acquired French Canadian subjects on the one side, and invading American armies on the other. These wars were waged many years ago, and all had been peace and contentment, until within recent times war again broke out, this time between the breweries. That struggle too has passed, but once more the clouds of battle have gathered and the conflict which in the other cases was waged throughout the island, has centred in the City of Westmount. This time it is a rate war, in which the City of Westmount and the Montreal Light, Heat and Power Consolidated are the combatants.

The war has been of but short duration. It broke out in the latter part of September. and there are already indications that it too will soon be settled even as the previous struggles were.

Result of a Misunderstanding

The war like most wars, is said to be the result of misunderstanding. The City of Westmount is served by dual electric light and power systems; that of the city, and that of the Montreal Power Co. About a year ago the Montreal Power Company in pursuance of the policy adopted by many public utility corporations, made an offer of its stock to its customers.

Consumers of both the company's electricity and gas were given the right to subscribe to five shares of the company's stock, while those who were taking only one service, were given the right to subscribe to but two shares. The stock was offered at a rate considerably below that at which the stock was selling on the stock market, and payments were spread over a considerable period.

The offer of the company was a liberal one and met with an eager response. A great many of the company's customers in the City of Westmount, however, were single service customers, obtaining their gas from the company and their electric light from the municipality.

Many complaints were received by the company from these Westmount citizens who claimed they had been discriminated against because they were involuntarily electricity customers of the City of Westmount.

Power Company Strives to Appease

In an effort to appease these customers the Montreal Power Company issued a circular to them on September 15 last offering to increase their allotment from the two shares they had subscribed for as gas customers to a further three, providing they signed a five year contract with the Power Company for electricity as well as gas, on the termination of their present contract with the Westmount Light department. The offer was not a general one to the citizens of Westmount but was only made to consumers of the Company's gas, who had already subscribed for two shares under the original offer, and it applied to only about fifteen per cent. of the total number of householders in Westmount.

The Westmount Light Department put a different construction on the offer, however, construing it as an attempt by the Power Company to deprive them of their customers, and countered the company's move by cutting the standard rate for electricity which both itself and the Power Company charged,—3½ cents a kilowatt hour—to 2½ cents. This rate it offered to all who would sign five year contracts.

Montreal Power resented this action, and in a series of open letters to the press, set out its side of the case, and at the same time met the municipal system's cut by reducing its own rate to 2 cents.

City Purchases Power From Company

The curious phase of the situation, however, lies in the fact that although the City of Westmount possesses its own electricity generating plant, generating the current by steam in connection with its incineration plant, it has found it impossible to compete with the hydro-generated power of the Montreal Power Company and has for many years been purchasing the greater bulk of its power from the company wholesale, and retailing it to its own customers. It has been estimated that the amount of power it generates in its own powerhouse is not sufficient to provide for its street lighting system alone.

The position then resolves itself into the jobber cutting the rates of the producer, and as the Power Company has publicly announced its intention to meet any cut the municipal system may make, by a lower one, the ultimate result of the rate war is not difficult to foresee, particularly as the city's contract for power from the company has not many more years to run.

Prospects of an amicable arrangement being arrived at by the City of Westmount and the Power Company appear likely, however, as at a recent meeting of the City Council, Mayor Hogg stated that the city was ready to discuss with the Power Company in an ordinary business way any proposal the company might care to make that in the judgment of the city council would improve the service of electric light users and assure to the city the maintenance of a service such as had been supplied by the municipal plant.

The probable result will be that a truce will be declared, negotiations entered into, whereby the city will retain its plant for street lighting and that the Power Company will purchase and take over that part of the civic plant serving private customers. Thus will historians chronicle the latest war waged on the sometimes peaceful Island of Montreal.

POUND'S STRENGTH SHOWS NEW YORK LEADS IN FINANCE

(Continued from page 22)

downward. The reason was that the large shipment of foreign grain and cotton to Europe, especially from America, was financed by time-honored custom in the London money market. The "produce bills," issued by European consignees of the foreign produce to cover transportation and marketing, were habitually discounted in the London money market. This was one of London's functions as the world's central money market, and the drawing against such discounted bills by the market of their origin necessarily meant sale of sterling exchange to remit the proceeds. Under such sales, the autumn sterling rate declined. In pre-war days the result would often be shipment of gold from London to New York, where the gold was apt to be needed to increase American bank reserves against the autumn requirements of credit.

No such decline in sterling has occurred this autumn; instead, there has been a notable advance. The general situation had seemed to favor a greater fall in rates than usual; for last year's British coal strike had left England's export trade greatly impaired, with the balance of international payments running heavily against her. Nevertheless, whereas sterling declined in the past two autumn seasons to $4.84 and $4.83½, respectively, it has risen since August to $4.86¾, thereby going not only to much the highest rate since 1914, but above the October rate even of the ten years before the war.

What Is Real Reason?

There have been various explanations of this anomaly, such as the relatively higher money rate at London and the consequent purchase of sterling bills to shift American capital to that market; but they are hardly adequate to account for so very unusual an advance. It is not generally agreed that the essential cause has been the taking over by New York's money market of the task of financing the autumn shipments of produce from the Western Hemisphere to Europe. This has relieved London, for the time at any rate, of the customary autumn pressure on sterling; the season's very unusual rise in the rate reflects that fact.

The importance of this change in the program of financing autumn trade lies in its implication as to the present primacy of the New York money market in the credit transactions of the world. It is true that this present shifting of functions merely follows other changes pointing in the same direction. During the war itself, New York took over London's office as central depository of international funds. Since the war, American capital has been freely loaned on all European money markets, and New York has become a yearly investor in foreign securities on a far larger scale than London; indeed, there has been an official movement in England to discourage further extensive investment by British capital in new foreign loans. But this latest incident marks the shifting to America of perhaps the most characteristic of all London's old-time functions as the central money market.

The transfer may conceivably be temporary; even now it is not possible to predict with certainty the respective place and mutual relations of New York and London in the distant future. For the present, it is merely another step in New York's assumption, one after another, of the international responsibilities that were bound to be imposed on the United States by the economic changes wrought by the war.

Ore Receipts at Trail

Ore receipts at Trail Smelter from 22nd September to 30th September, 1927, inclusive, and from 1st January, 1927, to date, in tons:

Company's mines	9,380	317,654
Other mines	3,141	115,047
	12,521	432,701

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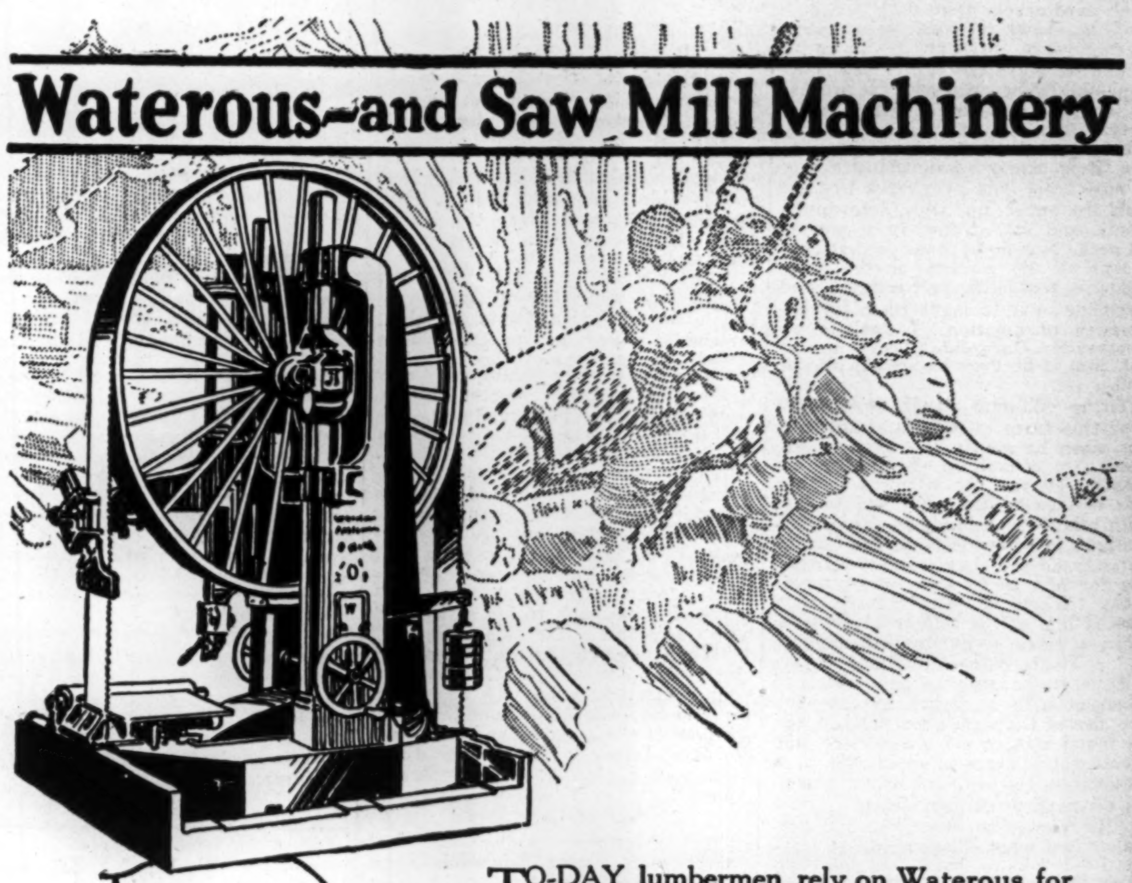

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Canadian Mining News

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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Find on Barry-Hollinger Strengthens Confidence in Boston Creek Area

Another Year Required to Prove Itself to World

ORE VEINS ARE WIDE

Other Properties Being Developed on Sound Lines and District Expected to Come Into Its Own

BOSTON CREEK, Ont.—There is no boom atmosphere at Boston Creek these days, but they are talking townsites and branch banks and better roads to the outside world. The recent find at Barry Hollinger Mines had the effect of clearing the air of the "narrow vein" and the "calcite" complexes. Everyone around the camp was down on Barry Hollinger when the word of the find passed out, and tens of thousands of dollars rewarded to the men who have worked in the various properties and the burghers who have been gradually building up a larger community.

First of all the Barry vein is not narrow. It is a bold, high grade mass seventeen feet wide in the roof of the raise to-day, running much higher in value than the official $20 given out. This disposes of Complex No. 1. There is no calcite in this vein, which was a Barry bugbear at upper levels. This takes care of Complex No. 2.

Correspondents, engineers, and brokerage scouts are quite anxious to see the Barry find, and there is an open door for those who will report what they saw. For those who have intensified the Boston Creek complexes to the outside world there is not such a feeling of warmth, for there has been a persistent and very recent "walloping" of the district. Every mining camp has come through the same experience. Only by the proof of ore bodies of commercial grade ore will a mine live down the "show me" attitude of engineers and other mining authorities. It will require another year for Boston Creek to prove or disprove itself to the world at large. But with the operators in the camp and those who have weathered the passage from prospect to producer, there remains no doubt.

Ore Like McIntyre's

"There will be mines worthy of the North in Boston Creek," said one of the North's best known mining men after he had inspected the new ore shoot at Barry. "You do not get that kind of ore in patches. It is very much like the ore at McIntyre and I will be surprised if Barry is not into a large lenticular vein system that goes to great depth."

Mr. Treloar does not suggest that he yet has a "made mine" but from the five or six discoveries made in new ground since he took over, and the reward constituted in the recent wide shoot, he is confident that Barry possesses possibilities of becoming a much larger producer.

"The property has really never been mined," he stated. "All previous work was near the shaft. It is my good fortune that we have been able to go ahead aggressively."

It was a case of make or break, when Mr. Treloar took hold. While he had been associated with John Taylor & Sons in their Central Manitoba operations, Barry was the first mine of which he has taken complete charge since coming to Canada. In Manitoba he had something to do with getting the ore on the Central property, but he does not discuss this. Barry was the sort of mine he desired to tackle, as he had been on several trips of inspection in Boston Creek and had reported on the chances of the district.

Certainly the new manager showed the results of his long experience on the Taylor staff in India, where narrow veins are mined at a profit and no showing is overlooked. Some of the mine staff could not understand his eagerness to follow the 1007 vein at the 1,000 foot level when he drifted on the vein for 250 feet or more without showing ore of any grade. He was advised not to waste his effort, but when he came into the big shoot, there was a new note in the entire camp.

Assays Run High

And it is a big shoot. Running from five to seventeen feet in width, it has shown a remarkable number of $80 assays and better. In the raise which was blown down in the centre of the 170 foot shoot, the roof widened to seventeen feet and when the writer saw it, the wall rock had not been exposed.

Mr. Treloar does not believe this shoot will go clear to the surface, but he is confident that it will be strong on lower levels. It will be cut at 900 and 800 feet, but whether it will go higher is problematical. In any event, the management is most interested in depth development, and a winze is to be sunk at once to 1,500 feet, and the shaft raised from that depth.

Is it Main Break?

Is this vein system that runs southeast from the eastern part of Barry's ground the main break of the Boston district? It is probable that the mines will survey the system to ascertain whether or not it is the same fracturing that goes through Miller Independence, Hilltop and Gold Hill. Mr. Treloar is of the opinion that the whole system eventually will be connected up as the break at Kirkland Lake was corelated. There may be some faulting as there are a number of heavy draws through the country, but the general strike of this rich ore becomes an interesting situation.

Gold Hill, now producing from 60 to 70 tons a day, appears to have solved the problem of stoping narrow veins in stopes from 22 to 28 inches wide. The ore is coming from four levels and the mill is getting an adequate supply of ore. Some difficulty has been experienced in breaking the ore without taking too much of the wall rock, and the wall rock is being sorted as it goes to the crusher. What the grade will run will not be known until the end of the month as the assay office is only now in running order.

Mill on Gravity System

Gold Hill has a fine new and most modern milling plant; it is built on the precipitous fall to the Blanche River and is all on the gravity system. Provision is made for adding other units with little additional construction expense.

Gold Hill is drilling to cut its main veins at 1,000 feet and word is expected any time as to the width of the vein at this level. With a staff of five engineers, Gold Hill is now engaged on working out every detail of geology both along the main workings and other parts of the property. Two diamond drill holes are to be sent out from the 800-foot level crosscuts to the east to secure information as to veins and formation. A winze will be put down to the 1,000-foot level almost immediately.

Preparations are being made for the further development of Hilltop Gold Mines which adjoin Gold Hill. With the demise of Mr. C. B. Cronyn, who held the financing contract, the providing of funds was taken over by the original syndicate which financed early development of Gold Hill and organized Hilltop. A campaign of deeper development below the 400-foot level, and diamond drilling to cut veins at depth which incline together as they go down is planned. It is also probable that the drills on the main vein at Gold Hill will be carried through into Hilltop to discover the character of this vein system at depth on Hilltop.

Other Developments Active

Various other efforts in the Boston Creek field are those of Ostrom Gold Mines, Amity Gold Mines, Lucky Tiger on the McCrae claims, surface work on Saga Gold Mines, all of which are being directed by mining men of long experience, and constitute real mining efforts in a section that has every advantage of power, transportation, water supply and living conditions.

Boston Creek is putting in the hard work that makes mining camps.—W. J. L.

Expect Bonus by Dome This Year

Dome production to date has been such that a large surplus will be available at the end of the year.

Those in close touch with officials of the company say that there is every likelihood of an additional dividend in the form of a bonus being paid at the end of the year. This seems highly probable as the dividend rate of $1 per share is far below present earnings.

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IMPERIAL OIL CO. AGREE TO EXPLORE SKIFF OIL FIELD

Contract with Devenish Petroleum Calls for Drilling 10 Wells

From Our Own Correspondent.

LETHBRIDGE, Alta.—As the 1927 drilling season in Alberta draws to a close, comes the announcement from the Imperial Oil Company that it has entered into an agreement with the Devenish Petroleum interests of Calgary for the thorough exploration of the Skiff oil field, 40 miles south-east of this city. This contract is confirmed on this end by Mr. Devenish and already operations have begun.

While full details are lacking, it is understood contracts call for the drilling of ten wells, two to be started this fall. The discovery well which last spring hit production at 3,090 feet, a sand making 250 barrels of good grade oil daily on the bailer, will be deepened to ascertain if lower levels carry bigger production. The bit is now standing about 140 feet from the Madison lime contact, it is thought, and has a couple of oil horizons to pass before that level is reached. Deepening of the well is now in progress.

Imperial Adds Acreage

The Imperial Oil Company last week also increased its acreage in South-eastern Alberta by blanketing 3,500 acres in the vicinity of Manyberries, Alta. This land lies on a structure connected with the Cypress Hills structure, it is believed. The Imperial and the Rowe-Harkness interests of Toronto control most of the Cypress Hill field although several Alberta operators filed on small blocks at the time of the big rush last spring. A test well is now being drilled, financed by Medicine Hat men. Government geological reports spoke very highly of the Cypress area.

To the west, the Mount Royal Oil Company, composed of Montana oil men, are drilling a test well eight miles from Pincher Creek, on the Mill Creek dome. At 400 feet they struck wet gas which is encouraging them in the venture. They are drilling near a strong seepage of gas and are looking for production at 2,200 feet, either crude oil or naphtha gas, similar to the Turner Valley product.

The Canadian Western Gas Company is drilling a test well in the Warner district where they have large holdings, and the Harte-Green syndicate of Winnipeg, has a well down 1,800 feet on the Bow and Arrow structure lying crosswise on the border. They hit gas at 1,200 feet.

Say Keeley Mine Will Close Down Mill Operations

Keeley mine will shut down its mill before very long.

This is the belief of men who follow operations of this company closely. Since the sharp drop in silver prices, it has been found increasingly difficult to continue operations on a profitable basis.

From the standpoint of the shareholder this would be a good move. The benefits that would accrue are many. Mill expenses would be cut; company would be in position to conserve their mill ore for higher prices; one shift could be eliminated and still sufficient high grade milled to earn dividend.

It is not good business to run the mill as long as silver sells under 60 cents. At the present time, mill averages 20 ozs. per ton, leaving little profit. Further, a good part of Keeley's production comes from high grade that does not require milling. This brings the cost of milling down to a low level, but is the belief of those in close touch with the affairs of the company that its position would be sounder if only the high grade was handled.

Work on the lower contacts has been resultful, high grade being in evidence. This is already indicated by lower contact developments in other parts of South Lorrain.

FAITH IN CANAL AREA UNSHAKEN BY STOCK BREAK

Field is Still Held in High Esteem on Pacific Coast

From Our Own Correspondent.

VANCOUVER. — When Dunwell, one of the most spectacular performers in the Portland Canal group of mining stocks, and regarded as one of the most promising, sagged from around $5 a share to approximately 20 cents, one would have imagined that the field would receive a shocking blow.

As a matter of fact, the Dunwell decline has apparently had very little effect on other Portland Canal stocks. On the contrary, several of them have made rather sensational advances during the last few weeks, indicating that the field is still held in high esteem by the mining world. One of the reasons for the continued confidence in the field is the entrance of the Consolidated Mining & Smelting Company, which proposes to operate there in a big way.

Two companies which the Consolidated has taken over in Portland Canal recently are the George Copper group and the Big Missouri, both of which have shown a steady rise in the coast markets. During the next two years the company proposes to give George Copper a thorough testing by diamond drill and a long tunnel which will run into the property from the level of the Bear River. The Portland Canal short line railroad may be developed as part of the company's general programme of expanison.

A road gang is now at work on the Big Missouri, which will also be thoroughly explored this winter.

Dunwell Future Uncertain

The Dunwell debacle continues as one of the most disappointing features of Portland Canal development and there are a good many people in Victoria and Vancouver whose dreams of sudden wealth have been dispelled as a result of the stock's market collapse. The future of this stock is still uncertain.

Reserves of broken ore at Dunwell are almost exhausted, to such an extent, in fact, that the mill will be closed down within a month.

The company's treasury is almost empty. but the debt to the bank has been cleared up and a considerable sum is still owing from smelters. Should this amount exceed $25,000, work may be resumed on the Ben Ali claim.

The Ben Ali claim is regarded as exceptionally promising, although the Sunbeam and Dunwell have not come up to expectations. Funds are needed to proceed with the Ben Ali development and the company isn't quite sure where they are coming from.

It is the general feeling here and at Stewart, that the Dunwell Company was too ambitious in establishing a mill. Silver, lead and zinc have declined in price since the estimates of profits were made. The cost of shipping concentrates has, on the other hand, exceeded estimates.

Mill in Operation

Meanwhile the mill is still being operated, treating 160 tons of ore daily, and producing concentrates valued at $500. The feeling among mining men and financiers here is that Dunwell advanced too fast, and that the company did not have enough money behind them to finance the project on the extensive scale attempted.

Regardless of the fate of Dunwell, ultimately, mining interests have not allowed their faith in Portland Canal to be disturbed by the misfortunes of a single company, and the general expectation is that the field will prove one of the richest in Canada.

Bathurst Drilling Shows Gold

Diamond drilling on the Bathurst property is yielding good results. Part of the core recently drawn was sufficient to indicate continuation of high values to depth. Gold in spectacular quantity is showing along several inches in length of core.

The Bathurst is among the properties having rich surface showings, and a continuation of which would point the way to a profitable gold mine.

International Nickel Control is Now Definitely in Canada

Control of International Nickel Co., Inc., now rests with Canadian holders of the common stock.

This has been learned by a large Canadian broker who has made an inspection of the shareholders' lists and of brokers' lists, in order to learn where is the floating supply of the stock.

It is estimated that 60 to 75 per cent. of the stock is now held in Canada.

Take Stock From New York

New York has been aware of this condition for some weeks, but believes it to be temporary. It will be recalled that Nickel has moved up and down rather frequently, but the trend has been upward, nevertheless.

It is beginning to be doubted if New York will get back control of the company. The floating supply is much less. The broker who made the investigation reports that through his own office from one to twenty transfers are taking place daily, with the stock going into hands which intend to keep it permanently.

Two Directors in Canada

"It is true," said this broker, "that the majority of these holdings are small, but the total is formidable when you consider that it has been going on steadily in our own office and in a number of other offices for several months."

There are 1,665,384 shares of the common stock of International Nickel Co., Inc., which, of course, owns all the stock of International Nickel Co., Ltd. The only two directors resident in Canada are James L. Agnew at Copper Cliff, Ont., and Britton Osler, of Toronto.

New Mart for Alberta Coal May be Upshot Coast Developments

Sell Product in the Western States Instead of in Eastern Canada

OUTBID COMPETITORS

Depletion of Vancouver Island Mines in Near Future Turns Attention to New Sources of Supply

VANCOUVER. — While Albertans have been speculating—so far without profit—on the possibility of getting their coal into eastern Canadian markets, events are transpiring on the Pacific Coast which may alter the complexion of things in the coal industry of that province.

Recently the Railway Commission's report showing that the railways could not haul coal from Alberta to Ontario and Quebec at a reasonable profit to allow the western product to compete with that bought from the United States, seemed to bring to a halt the efforts that had been made to help Alberta.

There is reason to believe that changing conditions on the Pacific Coast will in growing measure compensate Canada for an apparently inescapable fuel subservience to the United States and will make the United States north Pacific ports dependent on Alberta for their coal supplies.

Although the port of San Pedro has flooded the Pacific Coast with fuel oil at very low prices it has not killed the coal market.

Shortage is Possible

In fact investigation by The Financial Post's correspondent would indicate that in the not distant future an actual shortage of good reasonably priced bituminous coal will exist in United States North Pacific ports unless Canadian coal is bought.

For many years Vancouver Island has been the chief factor in the Seattle and Vancouver coal trades, setting the standard of quality and price. But, if truth must be told, the coal industry of Vancouver Island, once so flourishingly prosperous and so great an asset to British Columbia, is dying.

The seams are being worked out or are so deep and so narrow that further mining must soon prove uneconomical. The companies have not made satisfactory returns on working capital for years. Their stock, of course, is known to be badly watered but apart from that, the returns on a basis of cost at the pit and price at the pit have been such as to threaten the lives of several of the larger producers.

Certain properties may fairly be expected to work for years on slopes where modern mining methods make production profitable and where geological mapping has proved substantial ore reserves.

Sounded Death Knell

But the report of the late Dr. J. D. Mackenzie, of the Canadian Geological Survey, sounded the death knell of the Vancouver Island coal industry when it made known the fact that where operators had counted on vein extensions for indefinite distances there actually was a great intrusion of country rocks abruptly terminating the coal measures and making the coal reserves comparatively easy—in fact, all too easy—to gauge. Vancouver Island had to write off from prospective reserves some millions of tons of coal.

As the coal industry on Vancouver

(Continued on page 31)

Smelters Depart From Rouyn Field

Diamond drilling on the Flavian Lake property by Consolidated Smelters has been discontinued and the drills taken up.

No surface work has been carried on for some weeks and it appears that the option will now be dropped. As this company has stopped all other work it is probable that they are going to discontinue operations in the Rouyn field for the present at least.

THREE CENTS PER SHARE FOR BOURKE R. LAKE TREASURY

This is Said to be Cause of Trouble—Little Done on Property

It is understood that the crown attorney at Montreal and the Ontario Department of Mines are being approached for an investigation into the affairs of Bourke Red Lake. This company has its head office in Montreal and the property is north-west of the Howie in Red Lake.

From time to time there have been complaints of high pressure selling methods being employed. It is claimed that little or no effort has been made to explore the property.

Rather a startling financial situation was revealed by J. Turner, who has been interesting friends in the property, and who gave The Financial Post an analysis of the company's affairs. The company is capitalized at $3,000,000 with shares of $1 par. For the property there was issued $1,650,000 in stock to the promoters and there is also due $199,000 cash on the same account.

The stock has been selling at 25 cents per share and considerable money has been raised. The best information we can secure is that of the 25 cents secured only 3 cents per share is going into the company's treasury. One can imagine how far they can go on this when it would take the proceeds of the sale of a share to transport one pound of supplies into the property.

Would Need Much Capital

Another way to look at it is this. It is generally conceded that it takes at least $750,000 to make a gold mine. At 3 cents a share, Bourke Red Lake would need 25,000,000 shares. The company owes $199,000 cash on the purchase price, in addition to the 1,650,000 shares issues for the property. If the balance of the stock, 1,350,000 shares is sold at 3 cents it will only pay off $40,500 and still leave the company owing $158,500 and this without allowing one cent to be spent on the property. At 3 cents a share the company would have to have a capital of $8,283,000 to pay for the properties alone.

From letters which purport to be instructions to the men on the property, one gleans the information that there was little intent to carry on a mining operation and that stock selling was the one and only aim. Action in the matter is said to be quite near.

Americans After Goudreau Claims

Negotiations are afoot with a New York group for the transfer of a considerable block of territory in the section south of the Canadian Pacific Railway here, it is understood. The groups which are involved in the transaction include the claims of the Boundary Lake Syndicate, the Central Syndicate, the Ontario Goudreau Syndicate, and the Godin Lake Syndicate.

A Fairy Tale Comes True

Had you bought Noranda Mines two or three years ago at $200 or $300 a share you might have made a little money. The new stock recently sold at $28 a share, equivalent to $2,800 a share for the old.

PICARD GOLD MINES
Weekly Report

Hudson, Oct. 4-27.—Capt. Picard left the camp by plane tonight for Winnipeg.

Mr. Douglas Wright and Mr. French from New York who visited the camp report that the property has great possibilities.

The vein on which the chief development has been concentrated, has widened in unexpected fashion, and the values have increased with sinking.

In trench 45, a grab sample of pieces which did not show gold assayed $180.00. This pay streak is about 6 inches wide.

E. A. DOWMAN,
Engineer in charge.

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ROUYN MINING AREA IS SCENE OF GREAT ACTIVITY

All Properties in Camp Are Being Worked Energetically

Amulet is not worrying those who see the mine, in fact, the feeling persists in quarters in the north that a recognition of its vast possibilities has brought about a move on the part of powerful interests to acquire all possible stock and an essential prelude is a depression of the market to induce selling at lower figures.

This may be only surmise, but the fact remains that those who really know the situation are not worrying about the future of their stock. The Amulet operation itself is a monument to the faith and courage of those who persisted in their search in the face of many disappointments and finally located the orebodies which will make a big mine.

One of the show places of Rouyn these days is the new Noranda orebody, discovered in the digging of a sewer. In this million dollar sewer are masses of pure chalcopyrite and equally large masses of the blue and multicolored ore which is double the value of chalcopyrite. It is characteristic of the mining mind that this discovery probably adding millions to the wealth of Noranda causes less stir than the discovery of a new promising prospect.

Rush Continues

The rush of visitors, prospectors and representatives of mining companies into the Clericy area continues, and this is greatly helped by the fact one can travel by pullman right into the heart of it. The Clericy mining area is approximately thirty square miles, extending from a point in the eastern section of Duprisnoy in a south easterly line through Clericy township. The Davis Windfall operation is being vigorously pushed forward, and because of its fortunate location and the clear cut nature of its surface showings its possibilities and its popularity are readily understood. Clericy town is being changed out of all recognition. It is clear that a second Rouyn city has started. Its location as a distributing centre is unique in that it is situated on the river at the precise head of the point where railway and river transportation meet. Just now it is the centre of a feverish activity on the part of prospectors and mining companies.

Frontenac Mines are at work, and their new camps are a credit to the area. They are planning a very systematic campaign of development on their properties. Copper Hill, just north of the railway, are planning a development program to conform to the excellent results attained from the recent radiore survey. Visiting all the Harvie mining operations is a two day proposition in itself, but as three-quarters of the whole Clericy mining area is under Harvie control, its importance to the camp is paramount.

Harvie Work Impressive

The Harvie developments are on a most impressive scale. From underground workings at the No. 4 shaft blocks of practically solid zinc were being brought up, and this will probably make the first producing mine in the Clericy area. It is another two miles south, however, that greatest interest is centred just now, and with the discovery of the key to a most interesting geological situation, Doctor Harvie is driving diamond drills and surface crews as fast as possible.

The most recent discovery is an ore body fifteen feet wide and eight hundred feet long. This represents the most southerly point to which Harvie exploration has been pushed. Many people here are drawing an analogy between Amulet in May and Harvie to-day. Each presented a geological problem of the most baffling description but after two years of patient and painstaking work Amulet located the key to ore depositions and since then their progress has been triumphant. It seems obvious to visitors that Harvie is just reaching that point. The structural problems appear to have been solved, and every day's work is bringing Doctor Harvie closer to the goal he has been working for, and his success will mean as much for Clericy as Noranda has for the whole Rouyn field.

To Start Smelter At 500 Tons Daily

It is understood that approximately 500 tons of ore daily will be handled by the new smelter of Noranda during the first year of its operations. The plant is rated at 1,000 tons daily capacity and utilization of only half of its facilities is not due to a shortage of ore, but on account of a lack of developments in the shape of haulage ways, box holes, stope cutouts and other mechanical preparations. There will undoubtedly be temporary troubles when the smelter starts operations, such as furnace feeds, etc., but these will be overcome in due course.

A Mining Engineer

technical graduate, has time available from 4.30 p.m. daily, all day Saturday and Sunday. Open for anything, not necessarily allied to mining during these open hours.

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ABBEY MINES WILL START SECOND DRILL

Prospects Good for Finding Ore in Commercial Quantity

As the result of further discoveries made on the Abbey Mines property in Desmeloizes township, northwestern Quebec, a second drill is going in with extra men and work is to be immediately started on the building of a number of buildings to house the men employed as a most ambitious campaign has been mapped out by Charles Spearman, Consulting Engineer, and it will be carried through the winter months and to next spring.

In his latest report on the Abbey mines Rouyn property, Charles Spearman says:

The Radiore survey has shown a very great distribution and concentration of the sulphides of metals, and this metallization conforms very closely to the strike and dip of the formation, and in this respect the deposits are similar to those found to the southeast on the Abana mines.

Good Chance of Ore

There are very good chances of locating commercial ore bodies in the above distribution of mineralization, as the geology of this area is similar to that in which the commercial ore bodies of the Abana mines are encountered.

The results obtained by the electric survey on the Abbey property disclosed five underground electro conductors aggregating in length about 10,000 feet. Some of these conductors were trenched and showed considerable concentration of iron sulphides at the outcrop. The first diamond drilling cut about 20 feet of massive sulphides and then cut about 25 feet of quartz. It is now proposed to drill this conductor at a depth of about 300 feet from the surface as the copper sulphide deposits are usually bordered by iron sulphides. This drilling will be underway immediately and will be supplemented by further drills, and a most aggressive diamond drilling campaign will be carried on on the various Abbey conductors.

MONTREAL MINING EXCHANGE REVAMPS EXECUTIVE BOARD

Adopts Measures to Restore General Confidence of Investing Public

From Our Own Correspondent.

MONTREAL. — Measures adopted to place the Montreal Mining Exchange on a sound basis such as would restore it to a position of prestige in the general eye of the public and place it in an unquestionable position have recently been inaugurated by the members of the Exchange.

L. M. Atwell, of the firm of Louis M. Atwell & Co., has been elected president of the Exchange, and Rene Mount, of Mount Co., Ltd., vice-president. The board now consists of Messrs. Atwell and Mount, George Williams of Williams, Brochu & Co., and B. H. Beauvais. There remains a vacancy on the board which will be filled in due course by the election of an additional member of the Exchange.

It is reported that I. J. Isbell has voluntarily resigned as a member of the executive committee, and that J. W. Ball has been suspended.

Some of the stocks which were on the listed and unlisted sections of the Exchange, and several others, are being investigated, and the executive committee has placed itself on record with the government as being in favor of a complete investigation of the books of its members and has signified its willingness to assist in every way to bring general conditions up to the desired standard.

G. H. Benson an official of the board, has bought a seat from a member who recently resigned, and has been elected a member of the Exchange. He is to trade when requested by an absent member, and it has been arranged that the commissions on such transaction will go into the treasury.

INTERSTATE CORP. REPORTS PROGRESS

Results Have Been Helpful in Strengthening Link with English Investors

By making their declaration of an initial interim dividend, the Interstate Development Corporation has given tangible proof of progress. This enterprise is noteworthy in that it constitutes a definite link between British capital and Canadian mining and industrial development.

The organization has been designed primarily to appeal to the better class of English investors who realize the basic value of Canadian investments, but who also feel that development of this country's mineral and other natural resources should be carried forward with a minimum of risk and a maximum of protection for the invested capital. While the new corporation is not, in a legal sense, a trust company, the provisions of its by-laws and the arrangement of its capital structure is such that it will at all times maintain a fixed investment in dividend-paying securities, sufficient to provide the annual income necessary to pay the fixed rate of 6 per cent. on any of its outstanding preferred stock.

The policy of the Corporation will not primarily be the carrying on of mining operations directly, but it will perform the initial development work on its properties, the ultimate object being to organize separate mining companies to complete full development. The corporation thus becomes a holding company for several distinct enterprises. Information received from officials of the company intimates that the result of their investments to date has been favorable to a point where the next dividend is assured.

SINK NEW SHAFT ON ARGONAUT PROPERTY

Will Sink to a Depth of 1,500 Feet and Possibly Lower

Argonaut Cons. are making arrangements for the sinking of a new shaft, work to be started in a few weeks' time.

The new shaft will connect at a depth of 500 feet with the winze, which now extends from that level to a depth of 1,250 feet. The intention is to raise the shaft to surface and to sink to a depth of 1,500 feet and possibly lower. The present winze will be made into a three-compartment shaft. The winze is in a most favorable section of the property, and once it is enlarged it will be continued to depth.

Two more drills have been put on development work, making four in all, and these are operating on the 1,125 and 1,250-foot levels. A diamond drill is also operating from the bottom level with a view to establishing the mineralization at depth. Two ore shoots have already been located on the 1,125-foot level, and cross-cutting is being carried out on both levels for the purpose of cutting the downward extension of the 1,037 ore body, which is one of the largest on the property.

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PETROLEUM ROYALTIES COMPANY
TULSA, OKLAHOMA

Financial Statement of Petroleum Royalties Company at the End of Its Fiscal Year September 30, 1927

BALANCE SHEET

ASSETS	
Producing Royalties Owned	$423,704.74
Advances and Other Accounts Receivable (Including Oil in Storage)	75,458.82
Deferred Charges	103,621.26
Cash	102,897.98
	$705,682.80
LIABILITIES	
Preferred Capital Stock Issued	$579,507.00
Common Capital Stock Issued	7,500.00
Surplus	118,675.80
	$705,682.80

RECAPITULATION OF ROYALTY OIL INCOME ACCOUNT

RECEIPTS	
Royalty Oil Income	$128,156.14
Miscellaneous Receipts	34.00
Adjustment of Royalty Property Values	51,015.48
	$179,205.62
DISBURSEMENTS	
Miscellaneous Expense Accounts	$ 18,999.04
Dividends Paid	41,530.78
Surplus as per Balance Sheet	118,675.80
	$179,205.62

Respectfully submitted,
F. H. GREER,
Treasurer Petroleum Royalties Company.

ACCOUNTANT'S CERTIFICATE

I have examined and compared the foregoing Balance Sheet and Income Account and I hereby certify that they accurately reflect the results shown by the books and records of the Petroleum Royalties Company, Tulsa, Oklahoma.

CARL L. RICE,
Certified Public Accountant.

Tulsa, Oklahoma,
October 4, 1927.

The statement shows that 579,507 shares of the Preferred Stock have been sold and paid for. In addition to this, approximately 120,000 shares were sold prior to September 30th (leaving only 300,000 unsold shares in the Treasury), but as the Company did not actually receive the funds in Tulsa by September 30th these shares could not be included in the Annual Statement by the auditor.

Progress Reports on the above Company will be furnished to Bankers and Investors upon application to:

Mid-Continent Bond Corporation
331 Bay Street
Toronto 2, Ontario

Unusual Indeed

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Mining Inquiries

Corona

What do you think of Corona mining shares as a buy at the present price?

Corona is a gamble. It has well located holdings in Quebec and the last report was that it was meeting with some measure of success.

Bush Cons.

Would you be good enough to let me have your opinion regarding the Bush Consolidated Mines Corporation of British Columbia.

Bush Consolidated shares size up as attractive speculation. Company has well located holdings in Portland Canal area, and is well financed.

Barry Hollinger

Would you please give me your opinion of Barry Hollinger, as I have been asked to buy some, but I prefer, before doing so, to seek your advice re same. The broker says it will be a second Teck Hughes.

We doubt, as do countless others, that Barry Hollinger will be a second Teck Hughes. It is a fair speculation, but cannot be put in the same class as Teck Hughes.

Victory Gold

Could you give me any information re the Victory Gold Mining Co.?

If you have been reading The Financial Post you will have noted something of the high pressure methods being used by Boston promoters to sell this stock. The company repudiates responsibility. It has two groups of property, one in Nova Scotia and the other in Goudreau Area, Ontario. They are prospects only.

Ore Chimney

A client of ours who is an old lady and cannot afford to make a loss has requested us to obtain for her a report as to the advisability of investing $1,000 in the 7% notes of Ore Chimney Mining Co., Ltd, due in 1931, of which, we understand, some $300,000 are authorized to be issued.

Ore Chimney Mines has been selling stock for quite a number of years and yet their mining operation does not seem to get anywhere. We would not advise the purchase of notes of this company.

Teck-Hughes

I am at present holding some Teck Hughes stock on which I have made $3 per share, and as I contemplate disposing of same I would appreciate it if you would give me your opinion as to the advisability of selling and purchasing Central Manitoba, which I understand will greatly appreciate in value within a year's time.

We would hesitate to suggest selling Teck Hughes to buy Central Manitoba, although it has good possibilities, but Teck is a wonder mine.

Premier

Will you kindly give me your opinion of prospects of continued development and payment of dividends of the Premier Gold Mining Co. of British Columbia. I am contemplating buying some shares as an investment.

It has not yet been announced that B. C. and National Silver have been acquired by Premier, but we feel sure the deal will go through. In addition, company has another excellent property coming along. Frankly, Premier looks good.

Hughes Porcupine

One of my friends has asked me if I can obtain any information about the Hughes Porcupine Mines, Limited, which was incorporated under the Ontario Companies Act, and in existence in 1912 or 1913. He finds the certificates of shares amongst the papers of a deceased relative, and is anxious to know if the company is still in existence, and if so if the shares have any value.

Hughes Porcupine mines are located some distance north, east of the producing section of Porcupine, quite close to a property called Gold Reef, which is listed on the Standard Stock and Mining Exchange. This has been dormant for some considerable time and we have asked men, who are very closely in touch with affairs in Porcupine, and they say that the stock is worthless, but if anything ever did come of the company, that there would have to be a very severe reorganization, which would leave practically nothing for the present shareholders.

So far, nothing of any economic value has been found in this section of the Porcupine camp.

Pontiac and Power

I would like what information you may have regarding a mining development purported to be located in the Rouyn district in Abitha County; this promotion is known as the Pontiac Mines and Power Company, Ltd., of Montreal.

Can you tell me whether there is any present value to this stock and what backing they have by men who know the mining game. Any information you may give me will be highly appreciated.

Pontiac Mines and Power does not seem an attractive operation, and we would suggest your leaving it alone, inasmuch as there are so many well sponsored operations available.

Wants to Sell

I am a shareholder in the following mines: Argonaut, Coniaurum, Teck-Hughes and Noranda. I am thinking of selling and buying International Nickel, Shawinigan, and a few shares of International Paper Co. I will appreciate your advice very much. Will be glad if you recommend something better.

It is rather difficult to tell you what to sell with perhaps the exception of Argonaut. Teck Hughes, Coniaurum and Noranda have each excellent possibilities if held. On the other hand, so have the stocks you are contemplating buying. Outside of your Argonaut, which is quite speculative, you list excellent stocks.

Lucky Jim

Would you kindly give me any information about "The Lucky Jim" mine that you may have. I believe the mill is being built now, but cannot learn much in the way of definte news.

This company has a mine located at Zincton and mill at Roseberry, B. C. Their mill has been operating for some time and gross smelter returns for the year ending December 31, 1926, total $203,914. They show a net income, after deducting freight, milling, productive expenses, development charges, depreciation reserve, depletion reserve, etc., of $3,611. Their profit and loss surplus now stands at $4,243.

Vipond

Kindly advise me through your paper what would be a fair valuation on the assets of Vipond Consolidated Gold Mines. Taking it to be a defunct mine at the end of two years, what should it be worth per share?

You are asking a question which neither we nor anyone else can answer at the present moment. If Vipond Consolidated was to go into liquidation and realize on its assets, the value received would depend on numerous factors which neither the company nor anyone else can see at the present time.

If Vipond Consolidated Gold Mines is a defunct company at the end of two years, as you suggest, the stock would not be worth much.

Oriole Gold

Have you any information regarding the Oriole Gold & Copper Mining Syndicate, which is offering shares at $2 in the proposed Oriole Mines, Ltd.?

On September 8th Oriole Mines, Limited, held the statutory meeting at which the company took over control of the operation from the syndicate. We notice that the syndicate shareholders agreed to pool 90 per cent. of their stock which would seem to indicate that there are plans to make a market for the shares. In taking over the affairs of the syndicate, the company got $40,000 cash and has since sold some 20,000 or 30,000 shares of treasury stock, which have put it in fair financial position.

Marriott

I have been urged to buy Marriott copper mine stock at 50 cents. I can find nothing mentioned of such a mine in your "Survey of Mines." Do you know anything of it? Have they really got the ore and does the market warrant a price of 50 cents?

Re Marriott—This stock was listed on the Standard Stock and Mining Exchange and is selling around 40c to 45c. We understand that the exploratory results on the property have indicated a mine and the question is as to just how big a mine it will be. The proposition looks like a fairly good speculation.

Petroleum Royalties

Do you consider the "gold bonds" or preferred shares of the Mid-Continent Bond Corp. a good investment?

It was my intention to buy 100 shares of these, but your article in the same paper "some good and some bad oil-royalty securities" has made me a bit nervous about it.

Is Petroleum Royalties a safe investment for a person of limited means?

Kindly let me have your candid opinion of the Gold Bonds offered by Mid-Continent Bond Corp. Do you consider it a safe investment?

We consider Petroleum Royalties highly speculative. At the same time it must be admitted that the return on the capital is gratifying and it is probable that the shareholders in the company are being given a run for their money. We have been informed of a number of persons of considerable means investing in this company. They are persons who can afford to lose a part of their capital. The risk may not be so very great, but it is there, and it is regrettable that some of the shareholders are persons who cannot afford to speculate.

Mid-Continent Bond Corporation is selling stock in Petroleum Royalties, which is an Oklahoma corporation. The preferred stock is participating and the common stock is limited to a dividend of six cents per share. So far no such dividend has been paid on the common. The owners of the common stock are the promoters of the company who accepted the stock in payment for their services as well as in payment of various overhead expenses.

The company's operations consist in buying royalties in the oilfields. The object is to secure a diversification in the area and to use a certain proportion of the earnings to buy new royalties. So long as the central or Seminole fields continue to produce a large quantity of oil and so long as the management in Oklahoma continues to display a reasonably intelligent ability to select likely royalties, the speculation has some chances.

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Many investors purchase the shares of mining companies without having full regard as to what is back of their investments. Full knowledge of your investments is essential to profitable operation in the market. We believe our Statistical Department can be of great value to you when you desire information regarding present or contemplated holdings.

An unbiased analysis, based on information gained by years of North Country experience, and supplemented by a day-to-day touch over our private wires, from our own men on the ground, places this department in a splendid position to be of help to you.

We freely invite you to correspond with us, and extend to you all the facilities of this department.

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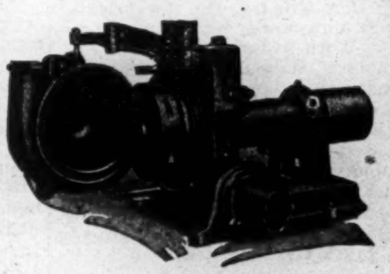
As the clearance between runner and follower plate of an ordinary sand pump increases by wear, the efficiency of the pump becomes less and less.

By simply tightening an adjusting nut on the Wilfley, the entire bearing unit and runner can be adjusted to keep the clearance always the same. Maximum, uniform efficiency is thus constantly maintained.

The wings of a revolving "expeller" throw the solutions away from the shaft. This entirely eliminates the usual troublesome stuffing box and the necessity of fresh gland water.

Heavy and hard wearing parts render long service.



INTAKE AND OUTLET PIPES ARE NOT DISTURBED ON THE WILFLEY PUMP

The new Wilfley construction enables wearing parts, one or all, to be exposed and changed in a few minutes instead of hours the old way. Simply loosen a bolt and remove a few screws and nuts and the case can be swung away on the crane. Runner unscrews and back the retaining nut off with it. Re-assembling is as quickly done.

Recognized as the standard pump for abrasive and hot solutions containing up to 70% solids, pressures up to 90 lbs., and distances running into miles.

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Harvie Mining Company
(Limited)

1. *The stock of Harvie Mining Company has been split five for one and the new stock was called for trading on the Montreal Curb Market on Saturday, October 8th.*

2. *Application is to be made for listing the new stock on the Standard Exchange, Toronto.*

3. *A stock dividend consisting of two shares of the Exploration Company of Canada, Limited, for each five shares of Harvie Mining, will be distributed to Harvie Mining shareholders of record of October 15th.*

Harvie Mining is one of the outstanding mining developments of Northern Quebec. Its holdings cover a large proportion of the mineralized zone of the Clericy area and it is the new discoveries on the Harvie and adjoining properties which have brought this area into such prominence.

We recommend the purchase of these shares at the present market.

Harvie, Smith & Company
Limited
New Birks Building - Montreal

HARVIE, SMITH
& COMPANY LIMITED
UNITED STATES
THE PRE-CAMBRIAN SHIELD

KOOT.-FLORENCE TUNNEL WORK IS NEAR OBJECTIVE

Known Ore Developed is Estimated at About $10,000,000

Boring on the big lake level tunnel of the Kootenay-Florence Mining Co. is now more than halfway towards its objective, according to an official statement.

Two drills are going in the face of this tunnel and in a few months the tunnel should reach the downward extension of the large orebodies which are developed above. These orebodies, the engineers expect, will be penetrated 550 feet vertically below No. 5 level, the lowest point to which development has been carried.

Concurrently with this work, No. 5 tunnel is being put in first-class condition, so that a deep winze will be sunk from No. 5 to meet the lake level tunnel. All the ores from the upper tunnels will be passed down through this winze to the mill level and costs will be materially reduced.

The company is making preparations to connect up the electrical equipment with the new source of power from the City of Nelson, which they have contracted for, and for which they will pay the low price of $22 per horsepower per year.

Work Through Winter

Manager Wilmot is now on the ground with the president of the company, completing final preparations for winter, so that operations will be carried through without a hitch and as rapidly as possible.

With the completion of this work aerial trams will be things of the past for this producer, which has already over $1,000,000 worth of ore to its credit.

Plans regarding mill modification have not been fully announced, but it is known that a simple flow sheet will be installed so that high grade products will be shipped to the Trail works of the Consolidated Mining & Smelting Co.

The known ore developed has been put by the engineers at 176,000 tons, with an additional 232,000 tons of probable ore, and much greater possibilities reported by the engineers than these figures. This represents a gross value in sight of over $10,000,000, present prices.

Estimated Costs Low

Costs are estimated at not over $4.50 per ton, on the basis of 300 tons per day. It is suggested that the new flow sheet will give the mill an ultimate capacity of about 400 tons, if necessary. The ore has, according to the records, an average content of 10 per cent. lead, six per cent. zinc, and nearly four ounces of silver; an unusually fine mill feed.

The company has a complete equipment, including employees' cottages, cook and bunk houses, electric plant, blacksmith shop and so forth. The main Nelson-Kaslo highway passes through the property, and the company has its own loading docks.

Argonaut Extend Scope of Diamond Drill Operations

Diamond drill equipment following up development work on the two lower levels at Argonaut Consolidated has been doubled this week, making a difference of one thousand feet a month in reaching the objectives. The new air compressor ordered recently is now on the property and will be put into commission at once. With this addition the management will be able to operate more drills and to add another diamond drill to work from the 1,250-foot level exploring for mineralization under that level with a view to sinking the shaft still further.

As reported previously the drill on the 1,250-foot level has already proven the downward continuation of the 1014 vein to that depth, and it is now being operated to prove up the length of mineralization. Stoping on the 1037 and the 1105 veins during the last week has broken a lot of good ore. Conditions on the whole are satisfactory to the management.

Canada Must Save World Gold Supply

Rt. Hon. Reginald McKenna said in Montreal this week:

"We hope very much over in the old country from the increased production of gold in Canada. This is indeed not merely a Canadian question, but one of international importance, for we are in real danger of a shortage of gold when the South African mines begin to peter out unless their place can be supplied by Canada."

This is a worthy answer to J. Maynard Keynes and other theoretical economists of Britain who have said that Canada has no gold production worthy of mention.

MARCH GOLD MINES PLAN TO ESTABLISH THREE MORE LEVELS

Company Will Start Work on Deepening Shaft to 700 Feet

Establishment of three more levels, which will be accomplished by deepening the shaft from the 300-ft. level to a depth of 700 ft., is to be started immediately at the March Gold Mines.

This work was to have been done under contract, but the management has decided that they will do the work themselves. It was expected that operations would have been resumed about a month ago, but some changes had to be made at the property. Return tubular boilers have been substituted for the locomotive type for the heating of the plant.

The March Gold property was closed down last spring owing to financial difficulties. Buffalo and New York interests, however, have advanced enough money to pay off the debt of the company and to carry out the proposed development program. The mill was closed down early this year owing to the past depletion of the developed ore. The intention is not to resume milling until enough ore is in sight to guarantee its steady operation.

Cut Every 125 Feet

While shaft-sinking is under way stations will be cut every 125 ft. In addition about 30 ft. of work will be done at each level, but the opening up of the new horizons will not be attempted until the shaft is at its objective. This will give the management five levels to develop. The new levels are to be thoroughly opened up before milling is resumed, and it is hoped that larger lenses of ore will be found at depth. From six to eight months will be necessary to open up these levels. Some diamond drilling is also planned, but this can be done even after the mill starts.

A new electric hoist has been installed, and an additional air compressor. In addition to replacing the old boilers with new ones the surface buildings have all been renovated.

Smelters Increases Silver Output

MONTREAL. — Consolidated Mining and Smelting Company of Canada's production figures for the third quarter of 1927 show increased production of silver, zinc and lead, with a drop in output of gold and copper, as compared with the corresponding period for 1926. Some 83,104 more ounces of silver were mined during the last quarter than during the third quarter for 1926, being 1,845,898 ounces, as compared to 1,762,794 ounces. The gold output is down 4,960 ounces, only 7,797 ounces being produced in the third quarter of 1927, as compared to 12,357 for 1926. 35,447 tons of lead were produced in the last quarter, as compared to 30,307 in the same period of 1926. Production of zinc shows an increased output of 4,550 tons, being 19,863 tons, as compared with 15,313 tons. Copper production is down 800 tons. 2,791 tons were mined in the third quarter of 1926 and only 1,191 tons for the third quarter of 1927.

BARRY-HOLLINGER PLANS TO DRIFT 900-FOOT LEVEL

Will Endeavor to Intercept Upward Extension of Vein

Drifting on the 900-ft. level of Barry-Hollinger in an effort to intercept the upward extension of the spectacular vein on the 1,000-ft. level, is being planned by the company. Arrangements are also being made for the sinking of a three-compartment winze in the ore-body from the 1,000-ft. level to the 1,500-ft. level.

Plans to drift in on the 900-ft. level of Barry-Hollinger in an effort to intercept the upward extension of the spectacular vein on the 1,000-ft. level were announced yesterday by an official of the company, who had recently returned from the property. Arrangements were also being made, he said, for the sinking of a three-compartment winze in the ore body from the 1,000-ft. level to the 1,500-ft. level.

Drifting had proceeded at the 1,000-ft. level for a distance of 160 ft. before being temporarily discontinued in order that a raise might be made. This had only been continued for a short distance when it was found that the vein there was over 14 ft. wide and so it would be necessary to get in at some narrower spot.

Ore Body Downward

While at 160 ft. in they were out of ore in the foot wall, this was not regarded as a matter of importance. It was pointed out that the system was all lenticular and that they had been going in and out of values all along the mine.

What was more important to the company was the fact that the ore body appeared to be a downward continuation of the one encountered on the 800-ft. level. At that point it was only 40 ft. in width, whereas at the 1,000-ft. level it had broadened out to 160 ft., at least, thus leading the management to believe that they had found the dome of an immense body which would be still greater at depth.

Quebec Centre Mines

The management of Quebec Centre Mines have received a report from their mine manager, F. C. Lines, that a heavily mineralized body of schist has been discovered on the South Cole claim. In order to determine the strength of this formation samples have been taken for assay purposes.

NEWBEC PLANT READY SHORTLY

Management is Now Making Plans for Instalment of Machinery

Newbec will shortly have a mining plant, arrangements now being made by the management for installation of equipment.

Meantime, sinking by hand steel is in progress and a depth of about 30 feet has been reached. The high-grade ore which covered about two or three feet in width and split by a "horse" of country rock at surface has continued to improve accordingly as sinking has proceeded. The country rock has now disappeared and the ore covers the full width of the shaft. Detailed assays are not available as yet, but officials estimate the ore carries about 15 per cent. copper. A safe estimate at least would be ten per cent. copper.

The sinking operations are on the Norbec section of the property, while to the south of the Gold Pan section of Newbec, a diamond drill is in operation. The first diamond drill hole intersected ore at a depth of about 80 feet, showing a width of about 14 feet of low-grade ore. The drilling on the Gold Pan is at a point about 1,500 feet south of the point where the shaft is being put down on the Norbec section, and is believed to be on continuation of the same fracture.

Easy access to the property is provided owing to the workings being within a few hundred feet of the railway. The new mining plant to be installed will be sufficiently powerful to carry work to possibly 1,000 feet in depth.

Alberta Coal for Manitoba

The government of Manitoba's purchases of Alberta coal will total approximately 50,000 tons this year, which is just a beginning, fuel men say. Ultimately they expect every pound of soft coal used by the government institutions in Manitoba to come from Alberta, thus saving an additional $250,000 per annum to Canada.

Moysey & Co. Open New Branch Office at Kingston

It is announced that Arthur E. Moysey & Company have opened a branch office at Kingston and that several other new offices are being arranged for in the near future. The Kingston branch is the seventeenth operated by this brokerage firm.

The exclusive private wire system maintained between the various cities in which the company's offices are located, is one of the most extensive, if not the greatest, on the continent.

Harvie Stock Transfer Ready

Messrs. Brown, Montgomery & McMichael, solicitors for the Harvie Mining Exploration Co., have completed the transfer to Harvie Mining Company, Ltd., whose stock is now being issued five shares for each share of this company's stock outstanding. The Montreal Trust Company and the National Trust Company also have executed their agreements as Registrars and Transfer Agents respectively.

A. D. McMILLAN M. CLAUDE ALDOUS LLOYD LOTT
We take pleasure in announcing that
Mr. M. Claude Aldous
has been admitted to partnership in this firm.
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The following is a word for word wire received from Mr. T. W. Smith, on the property, dated October 5, dispatched via C.N.T. from Taschereau, Que., marked QB, 331, 229, Blue 1/60

Report to the
Directors and Shareholders
of the
FRONTENAC COPPER MINES
LIMITED

Prior to offering our issue to the public for subscription we decided that it would be a good idea for us to visit the properties personally with the object of viewing the general situation in the field, and we wish to report as follows: —

We expected to find tents, and you can well imagine our amazement mingled with great pride when we found one cabin completely finished and two more so close to completion that they will be ready for winter occupation by the end of this week.

Considering the fact that Mr. Harmon B. Milton, the Engineer in charge, has been at Clericy but two weeks last Saturday, this demonstrates to our mind an unusual ability to achieve results in the most concrete form.

Reports current here are to the effect that the adjoining properties, such as Windfall Rouyn, Clericy Mines and Copper Hill Mines, are encountering situations of outstanding merit continually, and the location of our properties with their wonderful facilities are very favorably regarded. Naturally, therefore, we are watching the results of Mr. Milton and his field crew with intense interest.

Mr. T. W. Smith intends to stay with Mr. Milton, expecting important developments momentarily, the outcome of which will be that once again Smith, Pinder, Limited, and their associates have picked a winner.

(Sgd.) T. W. SMITH.

A detail map showing location of the properties and full subscription particulars may be had upon application to our nearest office.

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We claim to have the most efficient field organization in Canada for the investigation of mines and mining developments.

We go to a lot of trouble and expense and employ the best mining engineers and mining men to gather information on which we can rely. But this information is always profitable. It pays by helping our clients to make money, and by saving them losses.

Our information is always reliable, but to get news in advance of general publication it is necessary to keep in touch with our office.

We invite mining investors and brokers to get acquainted with one of our office men, either by personal call, telephone or letter. You can then phone in every day, and the man who is looking after your business will keep you posted. Clients who follow this method are making money.

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STEADY INCREASE ASBESTOS DEMAND IS HOPEFUL SIGN

Industry is Making Steady Though Not Rapid Progress

Having already reached a commanding position in relation to world output the Canadian asbestos industry continues to make steady, though not rapid progress. Although occupying only ninth position in point of value among Canadian mineral products, this industry of the Dominion produces about eighty-five per cent. of the asbestos of the world. There are some sixteen other countries in which there is a production of asbestos, but the only other important sources of supply are Southern Rhodesia, Russia, Cyprus, and South Africa. The output of the Canadian mineral leaves Canada largely in the form of raw material, but the export of manufactured article is growing and larger quantities for the home market are also being produced in Canada.

The earliest production figures for asbestos in Canada are those of 1887, but already there were small exports of the material at the opening of that decade. In 1880 the exports were 380 short tons, with a value of $24,700, while in 1887 the production was 4,619 short tons valued at $226,976. In 1925 the asbestos production of the Dominion was 290,121 tons valued at $8,995,854, while in 1926 the output was 315,860 tons with a value of $10,105,744. Though the mineral occurs in several parts of Canada, the asbestos production of the Dominion is almost entirely confined to the Eastern Townships of the Province of Quebec.

Trade Advances

The advance in world trade made by the Canadian industry in recent years is evidenced by the figures from 1921 to 1925. In the earlier year the world production was 116,981 tons, to which Canada contributed 82,822, while in 1925 the world production was 338,892 tons, of which 290,121 tons were produced in Canada.

The use of asbestos has been increasing rapidly in recent years. As it is incombustible and strongly resistant to chemical action, and as it may be manufactured into pliable sheets, it is valuable for fire-proof purposes and for insulation. The products of the Canadian asbestos manufacturing industry include asbestos lining, packing of all kinds, pipe and boiler covering, composition flooring, furnace cement, silicates, boiler cleaners, shingles, mineral board, corrugated sheetings and stucco. It is used also largely for automobile brake band linings.

The latest figures in regard to the manufacture of asbestos in Canada are those for 1925, when the selling value of the products was $1,344,097. This was a large increase over the previous year when it had been $589,339. In 1921 when prices were higher the value of the output was $804,603, but it fell rapidly after that time. Twelve manufacturing plants are included in the returns made by the industry to the Dominion Bureau of Statistics, and the capital employed in 1925 was $2,624,260. Among the various products of the Canadian industry, asbestos lining has the largest value. In 1925 the value of this product was $272,217, while that of asbestos packing was $187,916, asbestos pipe and boiler covering $179,717, and a larger group of other products $702,748.

Canadian exports of asbestos have increased materially in the last few years. For the fiscal year ending with March, 1925, the total value of asbestos exports was $7,790,088, while for the year ending with March, 1927, it was $10,674,125. The larger part of these exports consists of the raw material which in 1927 was valued at $8,692,037 compared with $6,413,405 in 1925. Of asbestos sand and waste the exports in 1927 were $1,922,657, and in 1925, $1,329,334. Exports of asbestos manufactures are small but are growing. In 1925 these were valued at $47,349 and in 1927 at $59,431.

The Dominion exports asbestos to more than a dozen countries. The largest market is the United States. To that country in 1927 was shipped raw material to the value of $5,184,119, while similar exports to the United Kingdom were $650,069, to Belgium $620,296, to Germany $892,149, to France $425,140, to Italy $312,217, to Japan $292,627, and to the Netherlands $184,725. Other countries purchasing Canadian asbestos were Australia, Mexico and Spain. Of asbestos sand and waste the United States in the fiscal year ending in 1927 took $1,794,343 worth, and the next largest export was that to the United Kingdom valued at only $52,093. Of asbestos manufactures the United States took to the value of $19,702, while exports to the United Kingdom were worth $7,038 and to Newfoundland $5,780.

Like her exports, Canada's imports of asbestos are increasing, though by no means as rapidly. In the fiscal year 1927 the imports of asbestos packing were valued at $96,746 and other manufactured imports at $526,047. In 1925 the imports of asbestos packing had been $112,257, this item thus showing a decline; but in that year the imports of other asbestos manufactures were only $353,143, so that on the whole the import trade has been increasing. That it has not been increasing more rapidly is doubtless due to the growth of the domestic industry, which, as already seen has been making rapid progress.

Amity

at current quotations has exceptional possibilities. A study of the developments at this mine will readily convince you. The opening of the third level, indicated by diamond drilling, we know, will prove interesting.

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Supplies and Machinery Sent in to Picard Property

Arrangements are being made for the shipment of necessary machinery and supplies to the property of Picard Gold Mines. This company owns two groups of claims in Woman Lake, Ont., and have capitalized at $5,000,000 for the purpose of developing the property.

The Picard property has just been favorably reported upon by Douglas Wright consulting engineer for the Jackson-Manion Company, and it has been decided to commence development by shaft sinking. The summer's work consisted of stripping and clearing the surface, and this has been accomplished for a distance of 1,600 feet along the break. The necessary machinery will be shipped to Pine Ridge by water, and will remain there until after the freeze-up, when it will be transported by wagon road to Woman Lake.

Marclay Mines is Meeting With Encouraging Results

News coming from Marclay Mines, situated in Boischatel Township of Quebec, is of the most encouraging nature. W. M. Scanlan, the company's mine manager reports encountering free gold in the east side of the shaft. Further details regarding this most recent strike has been withheld until more is learned concerning the extent of the find. The copper values continue to show up well and those who have recently visited the mine speak in the most optimistic terms.

It is expected that the equipment for the sinking of the shaft to deeper levels will go forward about the 15th of the month. The T.N.O. Railroad has now been built to a point past the Marclay properties so that it will be comparatively easy to move the new machinery into the property.

It is expected work will progress to such an extent during the next few months that a great deal will be known regarding the large mineralized bodies, already indicated through the dip-needle survey.

There is great activity in the districts surrounding the 42 claims owned by Marclay in Boischatel Township. Some very important strikes have been announced during the past few days both to the east and the north of the mine.

MINING STOCK QUOTATIONS

Week Ending Oct. 11

	Par.	Div.	Div.	High	Low	Close	Sales	Range 1926		Range 1927	
	Val.	Rate	Yield	for wk.	for wk.	Oct. 11	for wk.	High	Low	High	Low
Abana	1	....	....	3.60	3.25	3.34	7615	....	....	4.05	.20
Aconda	1	....	....	25¾	22	22	61550	....	....	45	14½
Afton	.	....	....	....	....	....	....	....	....	1.08	1.00
Algonquin	1	....	....	4	2¼	3½	197200	6¼	1½	5¼	2
Allied M.	1	....	....	....	....	....	....	....	....	5.51	2.70
Alma. Copper	.	....	....	....	....	....	....	....	....	4.59	3.01
Amity C.	.	....	....	34	30	30	132575	....	....	34	24½
Amos	.	....	....	....	....	....	....	....	....	56	15
Amulet	1	....	....	6.50	5.20	5.55	522115	2.98	.90	7.10	.85
Apex	1	....	....	2	2	2	7000	6	2¾	3½	1
Area	1	....	....	.65	.55	.56	220850	1.55	.21	1.95	.23
Argo. Con.	1	....	....	46	40	41½	301659	67	18½	59	25
Archean	.	....	....	....	....	....	....	....	....	18	17
Atlas	1	....	....	3½	3	3¼	69000	5	1⅜	7	2
Baldwin	1	....	....	2½	2	2⅛	17500	6⅜	1	4¾	1
Bard	.	....	....	.60	.59	.59	1400	....	....	1.59	.25
Barry Holl.	1	....	....	1.00	.80	.94	777650	1.00	.21	1.00	.25
Beaver	1	....	....	2.03	1.75	1.82	65700	.99	.51	2.03	.59½
Bedford	.	....	....	30¼	27	29½	76400	....	....	30¾	27
Bellellen L.	1	....	....	....	....	....	....	23½	20	23½	9
Bidgood	1	....	....	64	44½	61	627688	9⅜	4½	64	5
Boischatel	None	....	....	5	4½	4¾	34900	....	....	27	3
Boston Creek	1	....	....	....	....	....	....	7½	2½	1	½
Bourlamaque	1	....	....	....	....	....	....	1.45	1.02	1.53	.50
Brit. Unit.	.	....	....	....	....	....	....	....	....	88	76
Buckingham	1	....	....	5	4½	5	22800	7¼	2	[illegible]	3
Bunker Hill	10	....	....	150	143	143	95	....	....	160	75¾
Can. Lorrain	1	....	....	16¼	14	16	18400	93	57	72	10
Capitol S.	1	....	....	16½	15	16	6600	48½	24	34	14
Capitol R.	.	....	....	18	15	15	176700	43	26	54½	10
Castle Tre.	1	....	....	.81	.70	.74½	18900	1.85	.91	1.27	.61
Cen. Manitoba	1	....	....	1.73	1.60	1.69	48375	....	....	2.10	1.07
Chaput H.	1	....	....	14¾	11½	14	188200	22	3⅛	14¾	4⅜
Clifton	1	....	....	1	1	1	1000	6½	1	3½	½
Coast Copper	5	....	....	16.00	14.75	15.50	575	....	....	22.00	9.75
Col. Kirk	1	....	....	6	4	4	321600	6¾	2	7	1½
Comm. Mines	None	....	....	....	....	....	....	....	....	1.50	.71
Coniagas	5	....	....	5.00	4.70	4.84	3560	4.85	3.00	5.05	3.20
Coniaurum	5	....	....	5.30	4.45	5.05	4189	4.60	3.00	5.30	2.80
Cons. Smelter	25	10+5	.97	265	252	257	13751	265	177¼	270	215
C. W. Dome	1	....	....	9	6½	8	26275	29½	14	19	4
Copper Hill	1	....	....	....	....	....	....	....	....	68	49
Copper Sul.	.	....	....	....	....	....	....	....	....	1.00	1.00
Corona	1	....	....	18	16	17	498100	37½	20	37	10
Crown Res.	.	....	....	55	41	47¾	130347	....	....	55	39
C. American	.	....	....	....	....	....	....	....	....	1.30	1.26
Davidson	1	....	....	....	....	....	....	3	1½	3	1
Destor	1	....	....	....	....	....	....	41	40	43	25
Dome Mines	None	$1	9.52	10.85	9.90	10.50	3315	20.00	8.00	11.65	6.85
Dom. Lead		....	....	....	....	....	....	....	....	1.73	1.05
Dom. Kirk	1	....	....	9	6	8	60200	....	....	12	1½
Don. Rouyn	1	....	....	23	19	21	27125	61	25	56½	17½
Dorion	.	....	....	....	....	....	....	....	....	4.00	1.02
Dubec	.	....	....	.94	.65	.65	15875	....	....	1.48	.35
Dunwell	1	....	....	....	....	....	....	....	....	1.51	1.50
Duprat	1	....	....	13½	12	12	127250	....	....	21	10
Dupuy	1	....	....	70	55	65	12150	....	....	79½	9
East. Metal	1	....	....	....	....	....	....	....	....	18.25	10.00
East Que.	.	....	....	2.19	2.18	2.18	1750	....	....	2.75	2.00
Everett	1	....	....	2¼	2	2¼	10000	12¼	3¾	5½	1¼
Federal Kirk	1	....	....	43	40	43	24600	....	....	44	40
Fiske	1	....	....	....	....	....	....	....	....	30½	5
Fisher, Que.	1	....	....	1.00	1.00	1.00	600	....	....	2.20	.50
Gifford	1	....	....	....	....	....	....	....	....	1¾	½
Gladstone	10	....	....	....	....	....	....	....	....	29	14
Goldale	1	....	....	40¾	33	32	195100	43	24	40¾	20
Gold Hill	1	....	....	32	28	28½	142400	73½	25	54	22
Gold Ore	.	....	....	1.70	1.65	1.70	2300	....	....	2.45	.90
Gold Reef	1	....	....	....	....	....	....	5	1	2½	½
Granada Rouyn	.	....	....	17	14½	15	41800	....	....	23	16
Grover Daley	1	....	....	19	17	17	85550	32	18	37	8
Harvie Exp. (new)	.	....	....	2.40	2.20	2.20	4500	....	....	2.40	2.20
Harvie Exp.	None	....	....	12.00	11.25	11.25	825	....	....	16.00	11.25
Haultain	1	....	....	....	....	....	....	....	....	15	14
Hillcrest c.	100	6	10.00	60	60	60	5	65	55	65	60
Hillcrest, pref.	100	7	8.43	....	....	....	....	83	79½	87	81¼
Hilltop	1	....	....	16	12	14	147700	31¼	20	24	6½
Hollinger	5	26	7.22	18.00	16.75	18.00	19835	21.00	16.75	22.65	16.40
Howey Gold	1	....	....	.98	.90	.95	93875	....	....	1.05	.42
Huron	.	....	....	....	....	....	....	....	....	1.09	1.02
Indian	1	....	....	7½	6	7½	4600	14½	2¼	12	4
Int. Nickel	$25	2	2.98	70	65⅞	67	30331	46	32¼	75	38
Jackson M.	1	....	....	44½	40	43	101500	....	....	45½	36
Jay Copper	1	....	....	....	....	....	....	1.10	.73	1.26	.30
Kamisko		....	....	....	....	....	....	....	....	10.75	7.62
Kamiskotia R.	10	....	....	....	....	....	....	....	....	10.80	10.20
Keeley	1	24	32.00	.80	.75	.75	11000	1.91	1.39	1.66	.70
Keora M.	1	....	....	4	4	4	18150	22	11	13½	2
Kirk, G.B.	1	....	....	....	....	....	....	....	....	1.29	.75
Kirk. Hunt.	1	....	....	23½	21	23	131495	34	8½	35	10
Kirk. Lake	1	....	....	2.80	2.45	2.60	219195	1.44	.69	2.80	.82
La Rose	1	....	....	5	5	5	150	39	4	12	3
Lake Shore	1	40+10	1.88	28.20	26.45	26.60	10620	16.50	9.50	28.20	15.40
Lakeside L.	1	....	....	1¼	1	1	23800	10	1⅛	6	¾
Laurier	None	....	....	....	....	....	....	....	....	65	51
Laval	1	....	....	57	42	42	1,146,590	45¼	21	75	19½
Lorrain C.	1	....	....	1	1	1	2500	15	2	3¼	1
Lorrain T.L.	1	....	....	.60	.60	.60	500	1.10	.30	.86	.25
Lucky Jim	10c	....	....	....	....	....	....	....	....	21	20
Macassa	1	....	....	45½	35½	40	135575	43	22	45½	18
Malartic	.	....	....	27	25	25	91950	....	....	30	23½
Marclay	1	....	....	....	....	....	....	35	20	42	34½
Marriott	1	....	....	45	40½	40½	35750	....	....	45	35
McDougall	1	....	....	90	90	74	195910	....	....	90	24
McKinley	1	....	....	17	15	17	7231	26	8½	25½	11
McIntyre	5	20	3.53	28.75	28.10	28.25	16925	29.75	22.70	28.75	24.00
Mentor	10	....	....	12.00	12.00	12.00	250	....	....	12.75	12.00
Millcrest	1	....	....	4	3¼	3½	7150	21½	3½	7½	2
Mining Corp.	5	25c	....	3.75	3.15	3.50	37865	4.45	2.60	3.75	2.90
Moneta	1	....	....	13	13	13	500	18	11	15½	8¼
Montreal R.	1	....	....	20	15	19	11499	60	13	33	10
M'tchatel	1	....	....	21	19	19	102500	....	....	43	19
N. A. Dev.	.	....	....	....	....	....	....	....	....	2.10	.30
N.A. Lead	1	....	....	....	....	....	....	1.75	1.50	2.75	1.00
Newbec	1	....	....	1.02	.80	1.02	251650	....	....	1.20	.67
Newray	1	....	....	46	41	45	2200	45	31	46	28
Night Hawk	1	....	....	7	6½	6½	10300	17	3¼	10½	4½
Nipissing	5	6	4.54	7.50	6.00	6.60	21545	9.25	4.95	10.30	5.25
Noranda	None	....	....	28.00	26.40	26.75	54602	24.75	12.00	28.50	19.95
Ophir	1	....	....	3	3	3	2000	4¼	½	4⅜	¾
Ontario L.C.	.	....	....	....	....	....	....	....	....	1.30	1.03
Osisko	.	....	....	.40	.39	.40	13200	1.94	1.05	1.75	.35
P. L. Cobalt	1	....	....	4¾	4¾	4¾	1000	32	14½	18	2
Porc. Crown	1	....	....	7	6⅛	7	19500	12	4	11	3
Pioneer	1	....	....	.68	.62	.65	48525	1.22	.66	1.18	.53
Potter Doal	None	....	....	17	15	15½	153450	....	....	65	10½
Power & Mines	None	....	....	....	....	....	....	....	....	1.70	.75
Prec. Metal	1	....	....	....	....	....	....	....	....	22.00	20.00
Premier Gold	1	32	14.09	2.30	2.25	2.27	11760	2.75	1.83	2.50	1.86
Preston	1	....	....	5	5	5	100	9⅞	4	7	3
Ribago	1	....	....	37	34	34	384100	....	....	87	13
Rouyn	1	....	....	4	3	3	2750	9	1⅞	5	1
Rouyn C.	1	....	....	....	....	....	....	....	....	4.28	1.15
Rouyn K.	1	....	....	....	....	....	....	....	....	1.10	.73
Rouyn Que.	1	....	....	....	....	....	....	4½	1¼	4⅜	1
Rouyn G.	.	....	....	4	2½	2½	1980	....	....	4	2½
Rubec	1	....	....	3.20	3.00	3.10	17220	....	....	3.20	1.10
Simard Un.	.	....	....	1.15	1.15	1.15	200	....	....	1.18	1.14
Siscoe	1	....	....	30	30	30	2500	....	....	60	12
South Keora	1	....	....	....	....	....	....	35½	5	64½	4½
Stadacona	None	....	....	25½	21½	22½	190275	51	40	55	13
St. Anthony	1	....	....	38	35	36	15650	....	....	60	16
Sud. Basin	1	....	....	4.00	4.00	4.00	200	....	....	4.00	4.00
Sylvanite	1	....	....	4.80	4.50	4.55	27935	....	....	4.80	2.60
St. Law. Zinc	.	....	....	....	....	....	....	....	....	82	72
Timiskaming	1	....	....	....	....	....	....	15¼	6	7	4
Teck Hughes	1	10c	.95	11.00	10.00	10.45	125467	5.55	2.64	11.35	5.37
Thomp. Krist	1	....	....	....	....	....	....	3½	1	1	½
Tough Oakes	1	....	....	60	37	57¾	1,175,075	66	36	62½	25
Towagmac	1	....	....	5.15	4.60	4.61	55922	6.10	3.15	5.75	2.85
United Cop.	.	....	....	....	....	....	....	....	....	5.32	3.00
Vic. Silver	1	....	....	3	2½	3	32500	96	3⅛	14	2
Vickers	1	....	....	.80	.70	.70	1400	1.22	.13	1.52	.25
Vipond	1	....	....	.64	.55½	.58	150720	2.02	1.49	1.75	.47
Wakenda	1	....	....	5	4	4	5000	3¼	1	5	1
Wasapika	1	....	....	....	....	....	....	4	1	2	1
West. D. Lake	1	....	....	20	11	17	362470	....	....	20	8
West Tree	1	....	....	4	2½	2½	11500	....	....	4	1
Wettlaufer	1	....	....	4	3½	4	10100	10	2	4¾	1½
Wiltsey C.	1	....	....	57	56	57	15050	....	....	59	50
Wright Har.	None	20c	2.61	8.30	7.55	7.65	118917	....	....	8.45	5.50
Ajax Oil	1	....	....	26	24	24	8100	....	....	44	6½
Trojan Oil	.	....	....	....	....	....	....	....	....	8.60	4.00
Vac. Gas	1	....	....	10	5	5	2000	....	....	26	3

NEW MARKET FOR ALBERTA COAL UPSHOT OF DEVELOPMENTS

(Continued from page 27)

Island ceases to fill contracts, where will the buyers turn?

There are two present alternatives in the North Pacific. One is to the fields of Utah and Wyoming, the other to those of eastern British Columbia and Alberta.

Your correspondent is credibly informed that Alberta coal can be hauled through the Rocky Mountains, loaded into barges at Vancouver, hauled to Seattle or Tacoma and put into bunkers at less than $9 a ton. Nine dollars is probably an outside estimate.

Competition is Small

If that is the case then Utah and Wyoming will be hard put to compete with the Canadian product.

Utah coal, which is rather sub-bituminous than bituminous, and Wyoming coal, of even lower quality, costs about $10.50 to $10.75 laid down at North Pacific ports.

The State of Washington has some lignite coal of certain domestic value, but Seattle has always been a heavy purchaser of Vancouver Island coal.

The Pacifiic Coast Coal Company, an eastern United States company, has been forced to buy its coals from inland states and admittedly the quality is not being maintained and the price at Pacific ports is not satisfactory.

If Seattle, Tacoma and even Portland could get Alberta and Eastern British Columbia coal to-day for $9 or even $10 a ton they would buy it.

There is on recent record a shipment of 100 tons of Illinois coal to the Pacific Coast.

Coal Supplies Lacking

Several months ago New York interests spent a great deal of time and money surveying the Pacific Coast with the object of establishing a steel industry somewhere on this coast. The port of San Pedro was picked as being the best site in point of distribution advantages. But when it was realized that a satisfactory coal could not be procured from any of the Western states in quantity sufficient to meet the requirements of the industry and that coal would have to be hauled through the Panama Canal from Virginia or other Eastern fields the project was abandoned.

One of the engineers is reported to have said that when the Pacific coast steel industry would have greatest need of an assured fuel supply, the coal might not be available. He is believed to have had reference to the eventuality of war when an enemy nation might have destroyed communication between the oceans via the Panama Canal.

The same investigating group agreed that the coal supply of the United States Pacific ports in the future is controlled by a foreign country—Canada.

Alberta is known to have 17 per cent. of the world's charted coal reserves. Much of it is lignite and will probably have its greatest value as the raw material for the new assured distillation processes of the future. But there is no doubt of the existence in that province of great deposits of high quality coal for coking or ship fueling purposes.

Port Authorities Ready

Vancouver's Harbor Commission has been working for some time on a plan to bring Alberta coal to this port, but there have been many protests from the Vancouver Island interests. It will probably be realized, however, that the Vancouver Harbor Commission is not representing any one section of British Columbia, but is the trustee body for a national gateway.

At least one project to establish a public service coal bunker is known to be in the wind, the Harbor Commission having agreed to lease a waterfront site on the north shore of Burrard Inlet for three periods of 21 years each for such a project.

Vancouver port alone is said to offer a ship-fueling market of 500,000 tons a year. At present ships loading coal in Vancouver take it over side from barges with clam-shells at a cost of about 35 cents a ton. Contrasted with that is the loading cost of about 5 or at most 10 cents a ton from modern bunkering berths and modern mechanically equipped barges capable of pouring 100 tons an hour into a ship's hold.

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Gain to shareholders	$11,811,000

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A few years ago, when the Bickell-Tudhope-Sheppard interests took hold of McIntyre, cash to operate was scarce and gold from the mine was not much more plentiful. What these men have accomplished, supported by a staff whose achievements in mining and milling have amounted almost to genius, is one of the most inspiring stories in the history of the North.

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Our latest market survey is on McIntyre. We try to present not only the possibilities for large profits, but the drama behind the making of this famous mine.

It will profit you to send for this bulletin and to act on the facts contained therein. A request will bring a copy of the McIntyre survey by return post.

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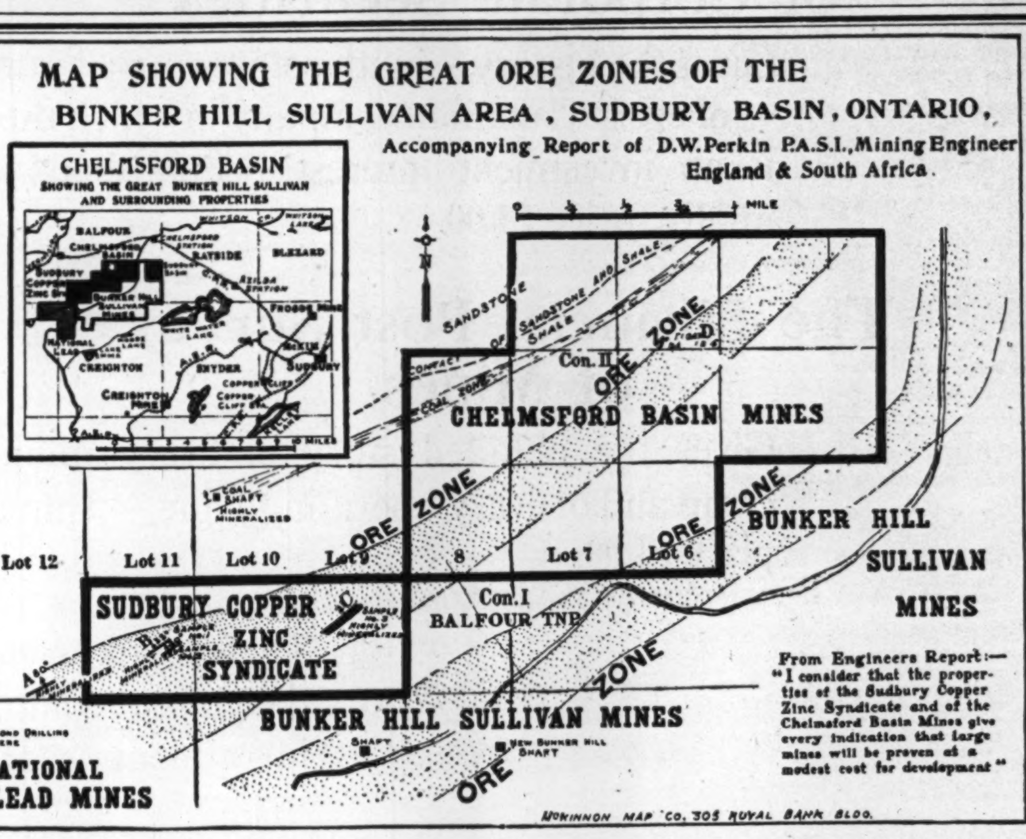
MAP SHOWING THE GREAT ORE ZONES OF THE
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Accompanying Report of D.W.Perkin P.A.S.I., Mining Engineer England & South Africa.
CHELMSFORD BASIN
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CHELMSFORD BASIN
BAYSIDE
BLEZARD
SUDBURY COPPER ZINC SYND.
BUNKER HILL SULLIVAN MINES
NATIONAL LEAD
CREIGHTON
CREIGHTON MINES
SNYDER
COPPER CLIFF
SUDBURY
FROOD MINE
MILES
MILE
N
SANDSTONE
CONTACT OF SANDSTONE AND SHALE
SHALE
COAL ZONE
Con. II
ORE ZONE
CHELMSFORD BASIN MINES
COAL SHAFT
HIGHLY MINERALIZED
Lot 12
Lot 11
Lot 10
Lot 9
8
Lot 7
Lot 6
BUNKER HILL SULLIVAN MINES
SUDBURY COPPER ZINC SYNDICATE
Con. I
BALFOUR TNP
DIAMOND DRILLING HERE
NATIONAL LEAD MINES
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SHAFT
NEW BUNKER HILL SHAFT
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ZONE
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A similar Ore Body crosses the adjoining properties of the "Sudbury Copper Zinc Syndicate" and of the "Chelmsford Basin Mines," according to this Geologic Map, which was prepared by A. W. Perkins, P.A.S.I., Mining Engineer of England and South Africa.

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We have never seen an opportunity of greater promise in all our experience in the North, which dates back to the first days of Cobalt.

The Engineer's Report and all information obtainable at the head office of the Sudbury Copper Zinc Syndicate, 305 Royal Bank Bldg., Toronto.

Write or phone us for any further information regarding this or any other Mine you are interested in. We will cheerfully furnish you with the Conservative Expert Information we have obtained on the different Canadian Mines for our British clients.

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The Nation's Business

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Future Bright; First Year of Operation is Successful

COMMON EARNS $3.53

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Packer Shares Expected Soon to be Listed on Toronto Mart

Low Profits Again May be Encountered by Most Canadian Milling Firms

Many Signs Indicate Industry is Still Backward

REVENUE OFF SHARPLY

Bracken Proposes Joint Agricultural, Industrial Council

EXPECT OTTAWA TO FIGHT BACK ON FIRE LICENSES

Appeal to Privy Council on Jurisdiction Case is Expected

CONTROL OF THOS. DAVIDSON PASSES TO LONDON FIRM

McClary's Secure Strong Eastern Connection Through Deal

Commercial Leaders Outline National Business Programme

Investors' Index

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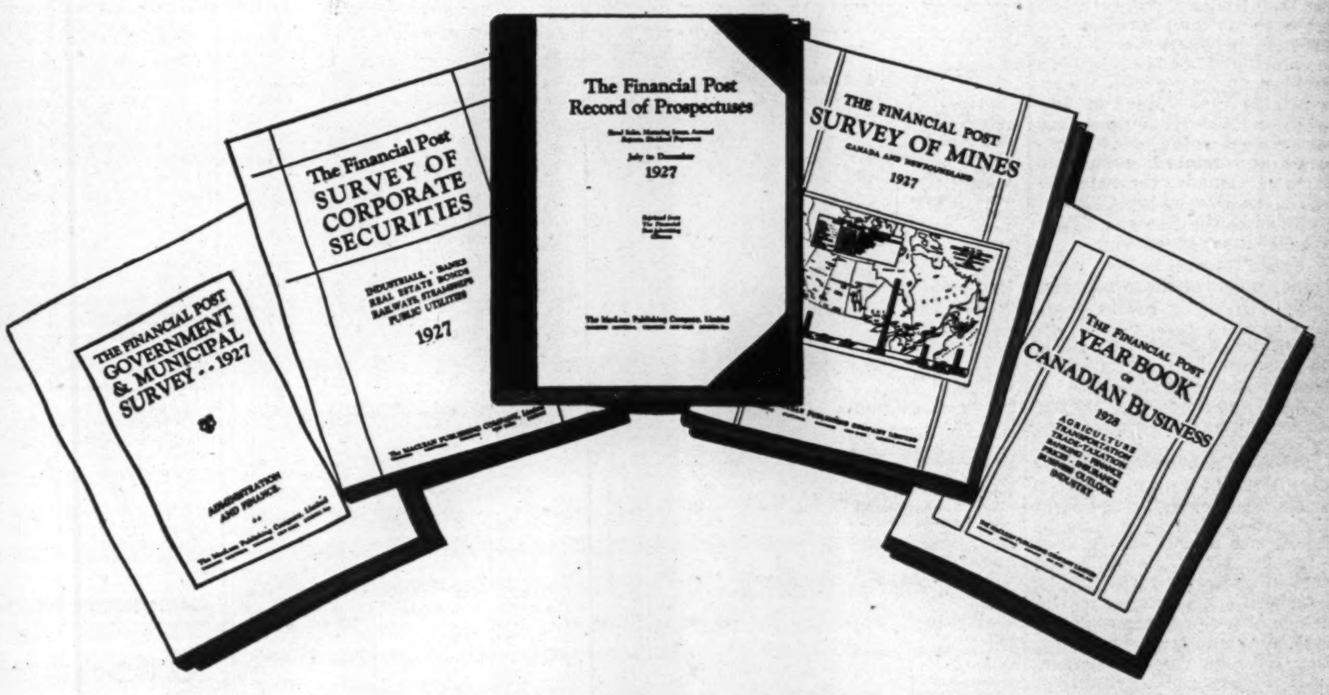
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